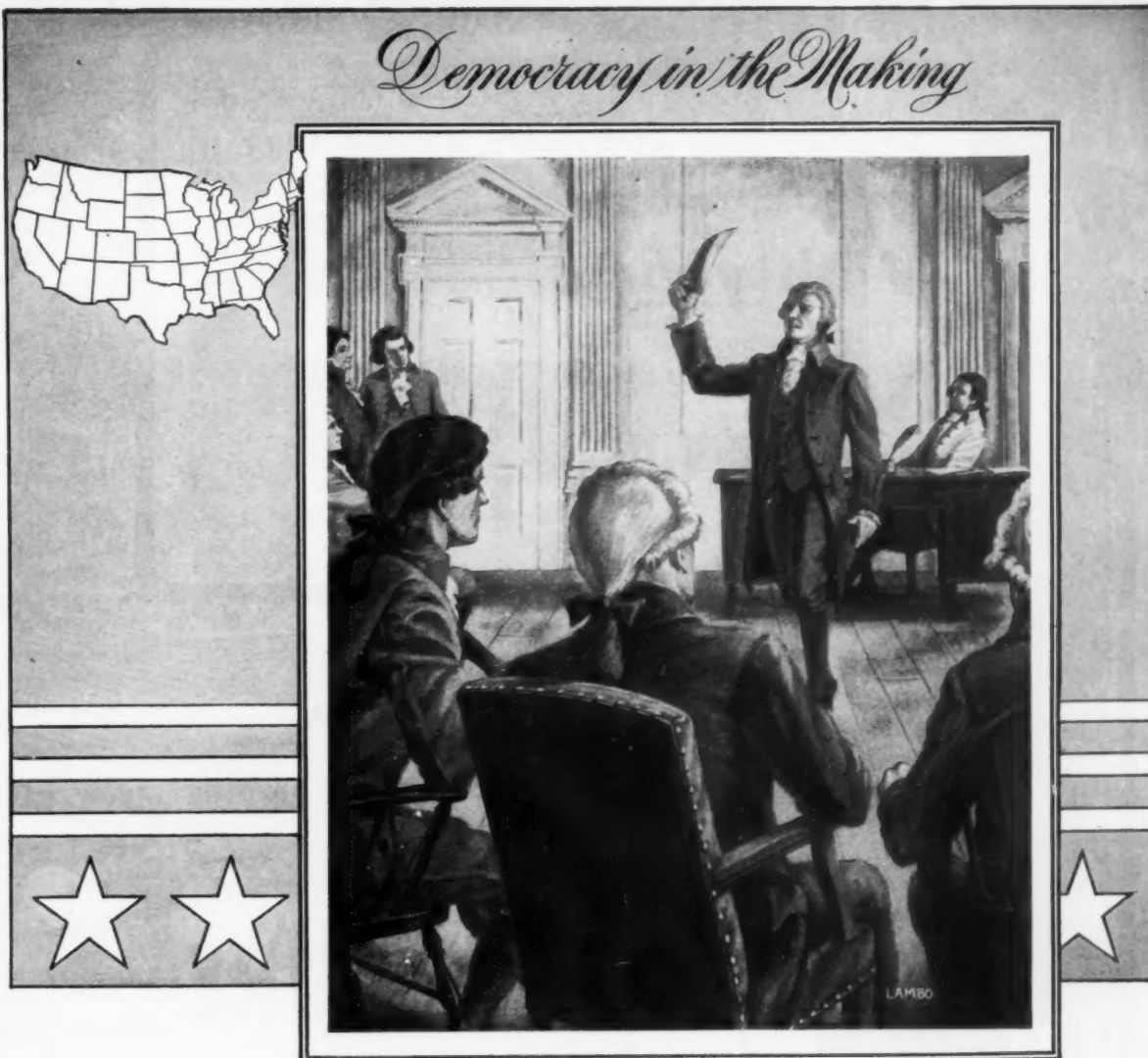


The NATIONAL UNDERWRITER



ALEXANDER HAMILTON'S GOAL as the country's first Secretary of the Treasury was to rescue America's finances from the bankruptcy into which they had plunged. His initial success was to persuade Congress to pay each bond at face value. This decision established the financial integrity of the United States and encouraged the acceptance of subsequent bonds

at face value. Thus, honesty became the cornerstone of American prosperity.

Our sincere endeavor to adhere to the principles of democracy, which are exemplified in the American Agency System, has gained the respect and confidence of the agents of America. These are cherished assets.



CRUM & FORSTER MANAGER



110 WILLIAM STREET • NEW YORK 38, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C. . . .	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH VIRGINIA CAROLINAS DEPT. DURHAM, N. C.

THURSDAY, OCTOBER 2, 1952

Smokey Bear and Harry Hazard say:

With your cooperation,
this week can last
all year!



FIRE PREVENTION WEEK

OCTOBER 5-11

1846
The American Insurance Group
Newark, New Jersey

The American Insurance Co.

Bankers Indemnity Insurance Co.

The Jersey Fire Underwriters

Starr Interests Buy Control of Globe & Rutgers

**Purchase Is for
Investment Purposes, It
Is Said**

NEW YORK—On behalf of its American International Underwriters associates, C. V. Starr & Co. has purchased for investment the majority holdings of convertible preferred and common stock of Globe & Rutgers Fire from Tri-Continental Corp.

Olin L. Brooks, president since 1938, will continue as chief executive officer, and it is understood that no substantial changes in policy or management are contemplated.

Control of American Home Fire and State of Pennsylvania, the two Globe & Rutgers' subsidiaries, passed to the Starr interests, since G. & R. owns more than 70% of American Home and more than 60% of State of Pennsylvania. Total assets at the end of 1951 were more than \$31,500,000 for the three companies.

An informed guess places the price paid for what is understood to be 53% of G. & R. stock at around \$40. This would be about \$8 above the market as it existed a week or so prior to the sale, and about 20% below liquidating value. Considerable activity developed in the stock during the week, however, and instead of \$32, by the weekend it was selling around \$37.

Globe & Rutgers recently became a member of the A.I.U. group. A few months ago the Starr interest in U. S. Life was sold to Continental Assurance-Continental Casualty group.

International Group Has New M.P. Policy in Mo.

The International group of St. Louis, composed of International Underwriters, International Indemnity and International Indemnity Exchange, has introduced a multiple peril policy in Missouri. The package may contain, optionally with insured, fire, extended coverage and additional extended coverage on dwelling and contents, automobile physical damage and automobile bodily injury and property damage liability and personal comprehensive liability in one grouping.

The auto liability and C.P.L. have one limit.

In addition to the face of the policy, on which and on the reverse side of which are contained the reciprocal provisions of the exchange, the package contains separate forms for the four categories of cover.

The combination of automobile and C.P.L. is interesting. Under financial responsibility in many states 80% or more of the automobiles are insured, but of course C.P.L. is not sold to nearly that extent. The combination should tend to increase the sale of C.P.L.

Atlantic Mutual and Centennial had a managerial conference at Hot Springs, Va., this week. The head office group and the managers numbered about 60. Most of them arrived last Saturday.

Moore, Thomas and Parsons Shifted by North British

In line with its program of decentralization, the North British group has made several personnel changes. The recently-created midwestern department has been gradually expanded and now has assumed supervision of two additional states, Iowa and Wisconsin.

Assistant Secretary Walter F. Moore, who has been assistant in the central-



H. G. Thomas



J. G. Parsons

western department at the home office, is transferred to the midwestern department at Chicago as assistant to Secretary Charles L. Day. F. B. Ingledew, also assistant secretary there, continues in that capacity in association with Messrs. Day and Moore.

General Agent Harry G. Thomas, formerly assistant in the southern department at New York, succeeds Mr. Moore as assistant to Secretary H. V. Tisdale in the central-western department at the home office.

Jack G. Parsons, formerly Arkansas state agent, has been called to the home office as general agent, to assist Charles J. Williams, southern department secretary. He assumes Mr. Thomas' duties.

Mr. Moore, in going to Chicago, once again becomes assistant to Secretary Day, with whom he was associated for several years in the old western department at the home office. He has had 27 years of home office and field experience.

Mr. Thomas has served the companies for more than 30 years, all that time in the southern department in both home office and field. In the last war he was a major in the air force.

Mr. Parsons graduated from Arkansas College and served about three years with Arkansas Fire Prevention Bureau. During the war he was in government service as a civilian inspector of war plants and later entered the army. For the past 7½ years he has been Arkansas state agent for North British.

Colo. Ins. Co. to Be Running Mate of Colo. Credit Life

Colorado Ins. Co., which is in process of organization at Boulder, is to be a running mate of Colorado Credit Life. The companies will be known as the Colorado Insurance Group. The managing general agency of J. H. Silversmith, Inc., at Denver has a very large interest in this activity. Colorado Credit Life is engaged in writing life and A. & H. insurance on purchasers of automobiles under contract, and Colorado Ins. Co. is projected for the writing of automobile physical damage on a retrospective basis for finance companies. The authorized stock consists of 25,000 class A voting shares of \$1 par value and 250,000 class B shares of the same par value. Both classes of stock are being sold at \$2. Colorado Credit Life at Dec. 31 had assets \$227,564, capital \$100,000 and net surplus \$113,405.

Zurich Fire Will Be Merged into American Guarantee

Arrangements are being made to merge Zurich Fire with American Guarantee & Liability. The merger is expected to become effective Dec. 31. The decision to merge the two companies has been made in the interest of increased efficiency, simplified accounting procedures and other economies, according to Neville Pilling, president.

Both companies are affiliates of Zurich General Accident, which has its U. S. head office at Chicago. Zurich Fire was incorporated in New York in 1929; its writings have been limited to automobile physical damage coverages. American Guarantee was incorporated in the same state in 1939 to write casualty, boiler and machinery insurance and fidelity bonds.

Steps have been taken to qualify both Zurich General and the American Guarantee to write automobile physical damage coverages in all states.

Ill. Director on Stevenson Fund List

One of the eight aids named by Gov. Stevenson as receiving "Christmas gifts" from his campaign fund is Insurance Director J. Edward Day of Illinois, who was the recipient of two \$1,000 payments.

Mr. Day has been mentioned in several magazines as being a member of Gov. Stevenson's inner circle.

The Chicago "Tribune" took the occasion to recall that last Christmas, Mr. Day announced that he had asked insurance company executives not to send him any Christmas gifts, because he did not want the meaning of such gifts misinterpreted.

One of the contributors to the Stevenson fund was Kenneth F. Burgess of the Chicago law firm of Sidley, Austin, Burgess & Smith, with a contribution of \$2,000. Burgess is the father-in-law of Mr. Day.

Hides Cancellation History; Insurer Escapes Liability

Allstate has been absolved of liability for an automobile collision loss by a decision of Texas court of civil appeals on the ground that the insured had vious insurer—State Farm Mutual Automobile—had canceled a policy less than two years before issuance of the Allstate contract. The case is Harris, et al, vs. Allstate, 39 CCH (Automobile) 113.

The insured, Roy T. Harris, Jr., was a marine staff sergeant stationed at Daingerfield, Tex. His car was wrecked and he lost his life in an automobile accident May 20, 1949. It developed that State Farm had canceled a policy of Harris Nov. 21, 1948.

Since the policy contains the entire agreement of the parties, their rights must be measured by it, the court said, and it is clear that the right of Allstate to forfeit the policy on account of the false representation is complete.

H. M. Smeall Is Promoted

Howard M. Smeall, who has been America Fore's chief agent for Manitoba in charge of the fire and hail department at Winnipeg, has been promoted to agency superintendent at Montreal. He has been with America Fore since 1927 except for military service in the second

W.U.A. Moves to Provide Actuarial Services in West

**White Sulphur Conclave
Votes to Assume
W.A.B. Functions**

BULLETIN

WHITE SULPHUR SPRINGS—W.U.A. by roll call vote Wednesday morning decided to submit to mail vote of the membership the proposal to amend the articles to provide for engaging in actuarial operations, and to instruct the governing committee to proceed to negotiate on blending W.A.B. activities into the W.U.A. sphere.

By LEVERING CARTWRIGHT

WHITE SULPHUR SPRINGS—A large segment of the top fire insurance executive talent has been in communion at White Sulphur Springs for the past several days.

The occasion was the dovetailing of Insurance Executives Assn. and Western Underwriters Assn. in midyear sessions. More than 70 were here for the I. E. A. meeting Friday and Saturday, which set an attendance record, and most of them stayed over for the

As W.U.A. went into its final session Wednesday morning it seemed virtually certain that the plan would be approved for W.U.A. to expand its activities so as to cooperate with companies and state authorities in actuarial services.

Favorable decision on it means that most of the operations now performed by W. A. B. will be assumed by W.U.A., with changes to conform to the current situation.

At the annual meeting last April a resolution was adopted directing the W.U.A. governing committee to present proposals for such expansion.

At the meeting of the committee on this order of business, the sentiment was strongly in favor of proceeding to activate the plan that the committee outlined, although there were firm dissents registered on the part of a few powerful interests.

The W.U.A. already is admitted as an advisory organization under the all-industry statute.

W. U. A. gathering that came to a close Wednesday of this week. Then there are a few who are remaining for the big congregation of casualty company men and agency leaders. One such is H. C. Conick, general attorney for Royal-Liverpool.

John R. Cooney, president of Firemen's, presided at the I. E. A. gathering in his capacity as chairman and he kept the discussion on a practical down-to-earth basis by virtue of his forthright and experienced manner. M. E. Peterson, western manager of Springfield F. & M., was in charge of W. U. A. sessions.

The I. E. A. secretariat on hand included Douglas Erskine, R. M. Beckwith and Milton Mays, while from

(CONTINUED ON PAGE 23)

Agents Making Big Contribution to Traffic Safety

N.A.I.A. at Closing Session Hears Panel Describe Present Programs

CLEVELAND—How far agents have gone in discharging the self-imposed responsibility for doing something about traffic accidents was revealed at least in



E. J. Seymour



Guy Warfield

part by the closing session of the National Assn. of Insurance Agents convention here. Some fine programs have been launched, especially in the driver education field, and they are beginning to achieve the momentum that promises to make such agent activity a real and lasting contribution to the country and its communities.

Almost 200 attended the accident prevention session Thursday morning, which was quite a tribute to the subject and the participants, considering the fact that most of the conventioners had departed, the headquarters were no more, and the banquet the evening before had, in effect very successfully wound up the convention as a social affair.

Non-Controversial Atmosphere

The convention in toto was a harmonious one. The meetings of the state national directors were shorter and fewer than they had been since N.A.I.A. adopted this form of organization. There was little or no controversy, before or behind the scenes.

E. J. Seymour of Monroe, La., the new vice-president, has served on the executive committee the past year and long has been active in state association affairs. When N.A.I.A. was at its lowest ebb financially he was made chairman of a special committee to work out ways of combining various departments of the headquarters in New York and Washington, to provide more service at reduced expense. He has been active in the national for seven years, as a member of the finance and steering committees and several other special units during the last five years. He is, as Guy Warfield, Jr., of Baltimore pointed out at the banquet, the first vice-president from Louisiana. He has never worked for a company; he has always been in insurance for himself.

Effective Official Team

He and Walter M. Sheldon of Chicago, the new president, are expected to make a closely knit, effective team, aided by the other members of the new official family. This is composed of Executive Committeeman Joseph A. Neuman, Flynn-Neumann agency, Jamaica, N. Y.; Ralph D. Callister, Bradley-Callister Co., Salt Lake City; and Kenneth Ross, Ross & Co., Arkansas City, Kan., elected, and Robert E. Battles, R. A. Rowan & Co., Los Angeles;

(CONTINUED ON PAGE 16)

N.A.I.A. Large and Small Agency Sessions Ring Bell

Typical of the high interest in insurance coverages, office operations, salesmanship and other practical problems of agencies displayed throughout the meeting of National Assn. of Insurance Agents at Cleveland last week, both the rural and small lines and the metropolitan and large lines sessions, which were held simultaneously Wednesday morning, drew large crowds. The speakers were well received and the discussion periods were so animated that the presiding officers had to adjourn them rather abruptly, to permit the balance of the program to be carried out on schedule.

Irvin Swinehart, Leroy, manager general liability department of Ohio Farmers Indemnity, and P. K. Mullen, Pittsburgh, secretary, National Union, told the rural and small lines agents what company people think are the sales possibilities among farmers and small town dwellers. Mr. Swinehart said too many farmers do not have farmers comprehensive personal liability. The contract is good; economic conditions are right—the customer has the money to spend. Why isn't more of this coverage sold? Mr. Swinehart believes companies and agents are their own obstacles, that they are failing to get the story to the rural public.

Explain Liability Situation

Mr. Swinehart thinks the farmers comprehensive personal liability policy is as simple as is possible, but that rating procedure could be shortened. He warned against use of the expression "liability imposed by law" in selling this coverage. The farmer has his life's savings tied up in his property and that property often represents pre-dawn to after-dark work. If he learns that all this can be lost through some untoward incident which, unforeseen, causes harm to a member of the public, he will be very amenable to farmers comprehensive personal liability coverage.

Mr. Mullen said the inland marine manual is an alphabet of sales possibilities for rural and small lines agents. With current interest in package policies, no package is better designed than the mobile agricultural machinery and equipment floater. The livestock feature is important in sale of this contract. Also important to the farmer are the cold storage locker policy and farm market cargo coverage.

These three forms are basic in the farmer's needs, Mr. Mullen said, but sales efforts should not stop there. All sorts of personal and other inland marine covers can be sold. The farmer, for example, being no longer earth-bound, has become a great vacationist. What is more, his home is not a simple cottage. He now possesses valuable cameras, furs, jewelry, etc. He needs

protection against loss of these possessions just as much as his city cousin does.

Not to be neglected either, Mr. Mullen feels, are inland marine contracts for business men in small communities. Here again the manual is a sales alphabet. A single example of potential premium volume increase is the field of bailees' customers forms.

Metropolitan Group

The overflow turnout at the metropolitan's agents conference delighted the members of the committee, which was only recently reactivated. E. L. Led-



H. H. Corson



Glenn J. May

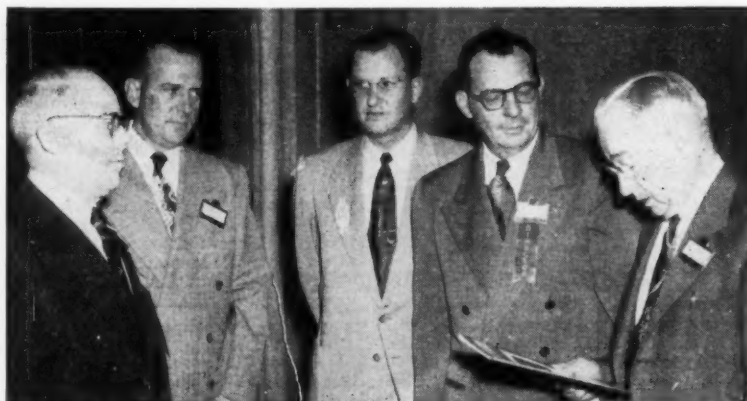
erer, Chicago, chairman of the committee, pointed out that its duties include dealing with problems of large city and large lines agents not within the scope of other committees, studying agency costs, consulting with local boards, handling problems of excepted cities and cooperating with technical committees on large or unusual lines and on new types of coverage which may be needed from time to time. H. H. Corson, Nashville, vice-chairman of the committee, presided at the session.

In addition to the talks by J. A. Neumann, Jamaica, N. Y., on casualty capacity problems and J. C. O'Connor, Cincinnati, executive editor, "Fire, Casualty & Surety Bulletins," which were reported in THE NATIONAL UNDERWRITER last week, there was a forum on office procedures. F. A. Doyle, Baltimore, was leader and T. A. Harman, Seattle, and Harry Pritchard, Detroit, participated.

Employment Plan

Mr. Pritchard said that his office has used a cross-referral arrangement for prospective employees with a number of other offices and is quite satisfied with results. When one office sees a prospective employee who appears competent but for whom the office does not have a place at the moment, the prospect is referred to other participating offices. All offices involved have gotten some very satisfactory employees out of this method. In answer to a question later, Mr.

(CONTINUED ON PAGE 19)



R. D. Callister, Salt Lake City; Frank P. Middleton, Phoenix; Phil Gould, Bend, Ore.; Kenneth Nehring, Tucson; Robert E. Dawson, Pasadena, in earnest converse at N.A.I.A. Cleveland convention.

Green Light Given To Government Air War Risk Insurance

Truman Orders Cover Be Made Available in Absence of U. S. Market

WASHINGTON—The government's aviation war risk program has been ordered established with the approval of President Truman, in accordance with provisions of the war risk law passed over a year ago. The program will be carried on under the Department of Commerce. Secretary Sawyer's recommendation that aviation war risk coverage for international airlines be made available by the government was approved by the President.

Sawyer said several months will be required to put the program into operation. A considerable part of this delay will be caused by the necessity of securing money from Congress to carry on the program. In this connection, the aviation war risk program differs from the government's marine war risk program. The latter does not become effective except in event of war among the four major powers. Government aviation war risk coverage, on the other hand, will be available when Congress acts by providing funds, regardless of war or peacetime conditions.

Can't Get Private Cover

This results from a finding by Secretary Sawyer that aviation war risk cannot be obtained on reasonable terms and conditions from companies authorized to do business in the United States. Such a finding was required by the aviation war risk law. Sawyer made this finding, an official statement said, "on the basis of information which has been received from the major aviation insurance underwriting groups and the eligible U. S. international carriers."

The department said that when the program is ready, details of standard forms of underwriting agency agreements, applications, binders, and policies, together with applicable rules, regulations, and instructions, will be published in the Federal Register. When that will be nobody knows.

The documents above referred to are only in draft form, not yet finally approved by officials. Consequently they are not available, nor are any more than a few details of the program.

It is pointed out by officials that under the law, no insurance on persons or property engaged in or transported exclusively in air commerce within the several states of this country and the District of Columbia may be provided under the government's program. The insurance, when made available, will apply to U. S. international air carriers and those foreign air carriers engaged in operations deemed by the Secretary of Commerce to be in the interest of national defense or the national economy of the U. S.

DATA Is in Charge

The Defense Air Transport Administration under the Department of Commerce largely worked out the aviation war risk program. What has just been done is to give a green light to it. Which the President has done. In order to get a "go ahead" signal, however, officials explained, it was necessary to prepare the documents and outline the program up to an advanced stage.

It is basically a matter now of getting money for it. The procedure involved is for Commerce to submit an estimate

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Here is a platform everybody can understand and wholeheartedly support. But it isn't enough just to give it lip-service. When you are in the woods, hold your match till it's cold—then pinch it. Don't throw lighted cigarettes, cigars, or pipe ashes on the ground or out of car windows. Crush them out first. Drown your camp fire, then stir and drown again.

AETNA INSURANCE GROUP

AETNA INSURANCE COMPANY • THE WORLD FIRE AND MARINE INSURANCE CO.
THE CENTURY INDEMNITY COMPANY • STANDARD INSURANCE CO. OF N. Y.
HARTFORD, CONNECTICUT



This advertisement also appears—in color—in **TIME, NEWSWEEK, PATHFINDER, U. S. NEWS and WORLD REPORT.** Clinton L. Allen, President

FOUNDED IN 1819, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



THINK FIRST OF THE AETNA

Report on Damage of Cal. Earthquake of July 21

Pacific Fire Rating Bureau has issued a preliminary report on the southern California earthquake of July 21. In summary, the bureau cautions that first earthquake reports are often inaccurate and judgment must be suspended until the facts can become known. Unless masonry structures have been built expressly to resist shock they suffered the same kind of damage as in all past earthquakes. Where buildings had correct earthquake resistant design, damage is minor. In refinery structures, damage to piping may be the real fire hazard even though the refinery has been specially built to withstand earthquake. For earthquake rating purposes multi-story buildings must be specifically rated. The bureau recommends employment of competent technical help for those who would build earthquake resistant structures and particularly if earthquake insurance is a factor the builder is advised to meet the Pacific Fire Rating Bureau's recommendations.

Old Brick Work Suffers

Tehachapi, an older town, suffered extensively in old brick work damage. Adobe structures were hard hit. Plaster cracking and falling chimneys were chief losses in frame dwellings. A significant paragraph in the report says that communities which may be considering cutting out masonry construction entirely to meet earthquake hazards are following an unnecessary course. It is clearly evident that masonry buildings correctly designed and reinforced can be made resistant to earthquakes.

After correct construction it is always desirable to have a continuous technical inspection, particularly during construction itself. Monolithic construction, particularly reinforced concrete, fared far better than unreinforced brick.

One popular fallacy is that fire resistive construction is also earthquake resistant. The Kern General Hospital is a spectacular example. This is a multi-story structure, having concrete floor slabs supported by steel interior framing. The exterior walls are unreinforced brick bearing. This structure was damaged in the original shock and suffered further in aftershocks. The brick walls had moved outward and collapse was imminent. This damage required that most wings of the hospital be evacuated.

Schools Are Cited

The performance of masonry schools was an outstanding example of the value of earthquake resistant design, the bureau notes. The older masonry schools suffered serious damage and probably a number of them will have to be razed. Reinforced masonry and reinforced concrete structures built since the advent

of the Field bill (which requires earthquake bracing in all new public schools) suffered slight or no damage.

Elevated water tanks also performed as expected. Three large elevated tanks designed to resist strong lateral forces and located very close to the fault (one very near the epicenter) came through with minimum damage. At Bakersfield, three tanks failed and at least one other was seriously damaged. These tanks were not braced to resist earthquake forces according to the bureau's earthquake recommendations. Wherever possible, existing tanks should be strengthened to resist strong lateral forces.

Performance of refineries was generally good. This can be again attributed to the fact that these have been built in recent years and were designed to resist shock. Except for the burned refinery at Paloma, damage was generally confined to the roof shell of the large storage tanks. This tank damage was the result of sloshing of the contents and did not require emptying of the tanks. At the Paloma refinery, high pressure piping broke and started fires. Earthquake damage was slight at this plant and was confined primarily to pipe breakage and slight distress to the concrete foundations as well as anchor bolts of certain equipment tanks.

Sprinklers Worked Well

Sprinkler systems performed well. In fact, one moderately sized risk was located in the epicentral region and performed excellently. This performance can be attributed to earthquake bracing procedures used on sprinkler piping as well as in the structures.

Transformers which were not anchored down generally fell off their supports. This damage was spectacular, but service was quickly restored.

Marsh & McLennan Name

J. G. Harrison at St. Paul

John G. Harrison has been appointed vice-president in charge of the St. Paul office of Marsh & McLennan, succeeding Cecil Read, who has requested to be relieved of administrative duties due to ill health. Mr. Read will continue with Marsh & McLennan as vice-president in a general production capacity.

Mr. Harrison joined the Marsh & McLennan organization in 1937 after attending Yale University. He served in the army in the war, and was discharged as a captain. After rejoining the Minneapolis office he was transferred to St. Paul in 1947, and was elected vice-president in 1949. His father was John M. Harrison, who retired in 1945 after being in charge for M. & M. at Minneapolis for many years, and whose death occurred last week almost coincidentally with J. G. Harrison's appointment.

New Jersey Insurance Women will start a series of insurance courses for beginners Oct. 14. They will be held every Tuesday evening in the Newark office of American Surety.



At Hanover headquarters in Cleveland: Mrs. L. K. Mason, Malden, Mass.; Jack Rygel, vice-president; Mrs. Herbert S. Brewer, Lockport, N. Y.; Milton W. Mays of Insurance Executives Assn., and Mr. Brewer.

N. Y. Regionals Eye Auto Cover Market

At Olean, N. Y., New York State Assn. of Insurance Agents conducted a regional attended by more than 150. Herbert S. Brewer of Lockport, regional vice-president, was in charge. As with other regionals the association is conducting, the automobile insurance market was the theme.

Victor F. Veness, deputy motor vehicle bureau head, discussed unsatisfied judgment funds; Charles Schoen of Mt. Vernon, the preferred risk rating plan; Craig Thorn, Jr., Hudson, the market; A. L. Schwab of Staten Island, rates; Robert Allen, traffic engineer of Assn. of Casualty & Surety Companies, that phase; Walter Brooks, deputy New York superintendent, and Emil T. Clauss, Buffalo, president of the state association, other phases.

John G. Mayer, executive secretary, was moderator.

A similar regional with substantially the same program will be held at Buffalo Oct. 23. Here Mr. Brewer will be emcee. K. W. Edgett, Jr., executive secretary of the Buffalo association, has added Prof. E. W. Muehl of Yale University, authority on public speaking, to the card.

A big crowd is expected to attend the third annual downstate meeting at Garden City, L. I., Nov. 13. Here again the program will be substantially the same with added starters Joseph A. Neumann of Jamaica and George Schepens of the assigned risk plan.

Commissioners of Zone 3 Are Meeting at Mobile

The commissioners in zone 3 of N.A.I.C. are meeting this week at Mobile, Ala.

Superintendent Longshore of Alabama is in charge at the opening session Oct. 2 as host commissioner. Cravey of Georgia is to give the response to the welcome and Mr. Longshore is to introduce the guests. C. Lawrence Leggett of Missouri, chairman of zone 3, will preside at the opening business session which will begin with a discussion of the December N.A.I.C. meeting at New York. This will include agents' qualification, handled by Robinson of Ohio, and part-time agents and non-recording agents.

In the afternoon, Commissioner Wade O. Martin, Jr. of Louisiana, president of N.A.I.C., will give a talk, and there will be discussions of:

—Should servicemen with accident-free records be subject to the usual additional charge when it is necessary for them to resort to the assigned risk plan to obtain automobile liability coverage?

—Should recognition be given to successful completion of an improved high school driver training course in establishing rates for drivers under 25?

—What affect will the use of indivisible rates for the multiple peril policies have on rates used for risks not eligible or not being written under such policies?

This will be followed by an executive

session and then there will be a social hour and dinner-dance.

On Friday, the commissioners will talk over preferred risk rating plan for private passenger automobiles developed by the National Bureau, and sale of life insurance by unlicensed companies on military posts, the latter to be handled by Murphy of South Carolina. This will be followed by an executive session late in the morning. Those who remain for the afternoon will attend a seafood jamboree at Grandview Park.

Chairman of the arrangements for this gathering is John P. Wilson, Jr., of the Wilson agency of Mobile. There is a separate program for the ladies which includes a tour of old Mobile and a sightseeing tour of Bellinrath Gardens.

Program Prepared for Rally of Conn. Agents Oct. 7-8

The program for the annual meeting of Connecticut Assn. of Insurance Agents Oct. 7-8 at New Haven, has been announced. The meeting will begin Tuesday afternoon with an address by Charles A. Collin, New York metropolitan manager of Phoenix of Hartford. Other talks will be given by Claude H. Rice, insurance manager of Babcock & Wilcox Co., on "A Buyer and His Agent," and by Paul P. Heinz, chief of the New Haven fire department, on "An Appraisal of Fire Prevention."

The day will be concluded with a cocktail hour and a get-together dinner.

Program for Wednesday

On Wednesday, President F. Chandler Moffat, Westport, will give his report of administration, and addresses will be delivered by Joseph A. Neumann, Jamaica, executive committee member of N.A.I.A., and E. Rhea Hurd, Jr., advertising manager of American Automobile. In the afternoon, Charles F. Kelley, commissioner of the department of motor vehicles, will describe the new Connecticut financial responsibility law, and Samuel Reich, vice-president of Bridgeport Bar Assn., will talk on "Insurance Agents and Their Relation to Jury Verdicts." R. Louis Towne, president of the R. L. Towne Co., will talk on "Sales Conditioning—Tomorrow's Sale Today." There will be another cocktail hour and this will be followed by a banquet, the speaker at which will be V. M. Von Hagen, director of the Inca Highway Expedition.

A complete program has been prepared for the ladies.

T. M. Gray Wields Pen

The Medina (O.) Sentinel recently carried an exchange of correspondence on insurance matters between D. R. Pelton, a grocer of Medina, and Theodore M. Gray, executive secretary of Ohio Assn. of Insurance Agents. Mr. Pelton had made some criticism of the investment practices of insurance companies and Mr. Gray's letter to the editor in reply was printed in full. Mr. Gray declared that Mr. Pelton's attack is a reflection on insurance supervision in Ohio, the rating laws and the character of insurance company management.



Group of Fidelity & Deposit hosts at Cleveland during the N.A.I.A. convention: A. C. Soeder, Cleveland; Donald Buckler, Baltimore; C. A. Keith, Detroit; John C. Gardner, Baltimore, and W. E. Shaw, Cincinnati.



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FINANCIAL STATEMENTS DECEMBER 31, 1951

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,275,000.	\$108,470,990.	\$61,257,086.	\$47,213,904.
Girard Insurance Company of Philadelphia, Pa. <small>Organized 1853</small>	1,000,000.	10,711,510.	6,979,138.	3,732,372.
National-Ben Franklin Insurance Co. of Pitts., Pa. <small>Organized 1866</small>	1,000,000.	10,476,694.	6,617,586.	3,859,108.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	28,159,650.	17,868,349.	10,291,301.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	36,291,676.	27,904,445.	8,387,231.
Commercial Insurance Company of Newark, N. J. <small>Organized 1909</small>	2,000,000.	42,686,336.	33,078,793.	9,607,543.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	433,385.	6,568.	426,817.

Pittsburgh Underwriters - Keystone Underwriters

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

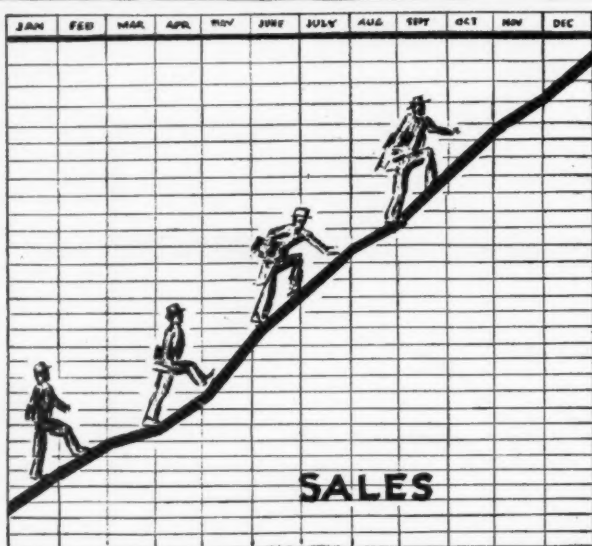
HOME OFFICE
10 Park Place
Newark 1, New Jersey



CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.



Wanted! Agents Who Are Going Places

Phoenix-Connecticut Has Some Openings for Agents with Good Classifications of Business

If you are interested in a forward-looking company, find out how our top-notch fieldmen can help you. They are well-trained, able, personable (your clients and prospects will like them too), hard-working, intelligent and confident men.

We are confident too. No matter how high your goal . . . our organization can help you attain it. Let us explain. Simply write to . .



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 Atlantic Fire Insurance Co. Great Eastern Fire Insurance Co. Reliance Insurance Co. of Canada

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Are Your Assureds Adequately Protected?

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 of
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 Since 1910

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P. & I. Shares Woes of General Liability Lines

Protection and indemnity insurance today is suffering increasingly from the effects of the inflationary economy along with the general liability insurance business, according to Granville E. Libby, assistant marine secretary for Fireman's Fund, who addressed the meeting of the insurance section of American Bar Assn. at San Francisco.

Also, P. & I. experience is affected adversely by the trend to veer from the original limitation of shipowners liability. This trend, he said, should cause graver concern to the shipowners than it does. Besides the special limitations fund of \$60 per gross ton that was required by law following the Morro Castle disaster there is the even more important provision that the privity or knowledge of the master of a seagoing vessel or of the superintendent or managing agent of the owner at or prior to the commencement of each voyage is deemed conclusively the privity or knowledge of the owner. This injected a new principle in limitation actions and foisted onto the shipowner the negligence of the master by making the shipowner responsible in cases where unseaworthy or defective conditions are known to the master, but have not been called to the attention of the owners, and frequently preventing the owners from being able to limit.

The speaker said that the recent decision of the U. S. Supreme Court in U. S. vs. Atlantic Mutual regarding the both-to-blame clause in ocean carriers' bills of lading will have a big effect on P. & I. underwriters. Under the both-to-blame clause the carrying vessel is permitted to recover from her cargo in both-to-blame collisions the amount which the carrier pays a non-carrying vessel for damage to cargo under the rules of divided damages. With the both-to-blame clause now having been found null and void by law, shipowners cannot claim against their cargo in respect to their indirect liability to such cargo. This extends the liabilities and coverages of the P. & I. policy.

Seamen's Cases Costly

The trend of the law is especially notable in connection with seamen's cases. In the past few years the liability of the vessel has been extended for maintenance and care to seamen in the employ of the vessel while injured or taken ill while on leave or absent from the vessel, even though not in the service of the vessel, providing the illness or injury is not the result of a seaman's own wilful misconduct. Then there has been an extension of liability of the vessel to its employees in connection with altercations between employees. For years the shipowner had only been liable in assault cases where it could be shown that the actor had known vicious propensities. In the case of Kean vs. Overseas Tankship Corp. all prior law on the subject of assaults was completely reversed.

Maintenance has also been awarded for disability suffered in a barroom brawl and in escaping from a house of prostitution, for injuries received in a swimming pool ashore, for injuries suffered in falling out of a dancehall window ashore, for injuries suffered while opening a bottle of rum contrary to shipping articles.

"The cases are legion of the generosity of admiralty courts in the seamen's favor," the speaker said. All of these increased liabilities are responsibilities on the part of the shipowner and are necessarily reflected in the scope of P. & I. insurance and its cost.

The maritime industry has the unenviable reputation of leading the fields of industry in respect of increase in accident and illness frequency and severity. This should be of great concern to the marine industry, to the shipowner, to the government and to the

unions. With larger and faster vessels the shipowner is exposed to larger and larger liability. The larger the vessel, the greater the loss, especially in connection with damage done by docking, because of the greater values of cargo, the greater number of passengers carried and the larger number of crews. The new liner United States represents a tremendous legal liability from the shipowners standpoint. While shipowners can afford to invest large sums in their vessels, they cannot afford to face large claims uninsured, pay large sums to other persons without receiving definite, tangible returns. P. & I. underwriters will protect the owner for his liability arising out of the operation of his vessel as long as rates are adequate but the prevention of injury and loss of life and damage to property is paramount and should have the interest and best corrective efforts of all concerned.

Wilder Promoted in Ind.

Home has appointed George Wilder associate state agent in Indianapolis. He served in various capacities at the home office until entering service. In 1946 he was named special agent of the service department at the home office. Later that year he was transferred to Indianapolis as special agent.

Agents Win Mexican Trips

Forty agents of Central Mutual of Ohio and their wives vacationed in Mexico as guests of the company. The 11-day all-expense trips were awarded as top prizes in Central's 200th mutual insurance anniversary sales contest. In addition, merchandise prizes were awarded to 260 agents.

After an air hop to Mexico City the winning agents met H. A. Kern, vice-president of Central, and visited many centers of scenic and historic interest including Taxco, Acapulco, and the famous Aztec ruins. Last year 50 agents and their wives enjoyed 10-day vacations in Bermuda as guests of Central.

Don W. Stroofer, formerly manager of the R. F. Cox agency at Mansfield, O., has purchased the Thomas agency at Celina, O.



Hugo LaRue, secretary of America For, and Mrs. LaRue at the White Sulphur Springs convention of W.U.A.

OFFICE SERVICES MANAGER

Age—35 to 45
 Education—College, prefer C.P.A.
 Experience—Minimum 10 years insurance accounting
 Duties—To coordinate the office services of an insurance company
 Location—West Coast
 Salary—\$12,000 to \$15,000

For particulars write

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Recommend More Rate Control by Mutual Bureau

The examination report of the Rhode Island, California and Michigan departments of Factory Mutual Insurance Rating Bureau recommends some centralized control be established if it is to function as a rating organization rather than being more or less an advisory unit. The report urges that the bureau should operate like a stamping office and check the rate making of the insurer members. Presently the placing company makes the rate and the other members take their share of the risk without knowing how the rate was calculated.

Manus Goes to New Hail Post with U. S. & Foreign

U. S. & Foreign Management, re-insurance brokers and hail managers, have named Clifford L. Manus as vice-president and director. He will be primarily in charge of hail operations.



C. L. Manus

Mr. Manus has been hail field supervisor for Great American in Kentucky, Tennessee, Georgia and Florida. He started his insurance career as an adjuster for the Southeastern Hail Adjustment Assn. in 1939, and joined the hail department of Great American in 1942.

Much Interest in Electronic Devices for Insurers

Electronic devices for use by insurers already are here. There is no question of waiting, Malvin E. Davis, vice-president and actuary of Metropolitan Life, told a meeting sponsored by Society of Actuaries at New York and attended by several fire and casualty executives. It is now up to the companies to go into the subject and for each company to test the economic feasibility of such devices, he said.

"Don't put it off," he advised. Even the small company—and the development is not just for big insurers—will require six months to study systems and adaptation before it can know what to order.

There has been a marked increase in interest in such devices this fall in fire and casualty. National Board has appointed an electronics subcommittee. The casualty people are much interested. Among the fire and casualty people who attended the Davis meeting were Dudley Pruitt, General Accident; Dr. J. H. Finnegan of National Board; E. C. Crasner, Pacific Fire; J. B. Clancy, Royal-Liverpool; J. M. Donovan, Travelers, and F. C. Imbesi, American.

Mr. Davis and John J. Finnelli of Metropolitan, who assisted him, pointed out that the devices can be tailored for small companies. It is reported that at least one and perhaps several fire and casualty insurers now are working with manufacturers on devices, looking to early installation. It was brought out that there is no question of obsolescence in the devices. If something better than the present tube is invented, it can be put in.

Nab "Con" Man at Detroit

Detroit police last week arrested Thomas Adam Stovall, 73, the notorious confidence man who for several years has victimized a number of insurance people in the middlewest and east. He is being held on charges of larceny by trick, and the number of his victims is

estimated at about 250. He was arrested on the complaint of a person he was attempting to victimize, who three years before had been taken in by Stovall.

Before he was arrested he visited the offices of Michigan Fire & Marine at Detroit, reciting his story of insurance connections and friendships. His approach is to mention a number of prominent insurance people that will be known to his victims, but these are always from another city. Then he asks for \$10, \$15 or \$20, saying that his car was involved in an accident and the repairs amounted to more than he had expected.



The panel on the adult driver at the Cleveland convention of N.A.I.A.: Arthur L. Schwab of Staten Island; Carl H. Bloecher, Rutherford, N. J.; Deane W. Merrill, Newark, and Dr. Herbert J. Stack, center for safety education, New York University.

THE "LINES" IN YOUR HAND!

As easy to grasp as the "lines" in your hand are the facilities and services of our Inland Marine and Special Lines Department. Within easy grasp too are the various Inland Marine lines listed herewith. With them go the comprehensive facilities and services of our Inland Marine and Special Lines Department which will gladly assist you in developing that business locally.

In addition our Fieldmen are Inland Marine specialists, competent to provide worthwhile assistance regarding the various lines. Most important, our Inland Marine Department is sympathetic to the producer's problems and many times is able to prepare a tailor-made form to fit a client's particular needs.

Talk to our Fieldman in your territory, or consult our nearest Inland Marine Service Office, Branch Office, or write the Home Office direct.

Bailee Forms
(Customers' Goods)
Bridge & Tunnel Insurance
Camera, Projection
Machine and Equipment
Cold Storage Locker
Insurance
Contractors' Equipment
Deferred Payment
Merchandise
Department Store Floater
Exhibition Floater
Fine Arts
Fishing Equipment Floater
Flag Floater
Floor Plan Insurance
Fur Floater
Furriers' Customers
Insurance
Garment Contractors'
Floater
Golfers' Equipment Floater
Gun Floater
"Hobby" Floater
Horse & Wagon Floater
Installation Floater
Jewelry & Furs
Livestock Floater
Lodge Paraphernalia
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Equipment
Miscellaneous Property
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Mobile Agricultural
Machinery & Equipment
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Morticians' Floater
Motor Vehicle Cargo
Musical Instruments
Neon Signs
Outboard Motor Boats
and/or Motors
Owners' Cargo on
Owners' Trucks
Parcel Post Insurance
Parking Meters
Pattern Floater
Personal Effects
(Tourist Floater)
Personal Property Floater
Physicians, Surgeons and
Dentists' Instruments
Processing Risks
Radium
Rain
Registered Mail
Salesmen's Sample Floater
Scientific Instruments
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Vending Machine Floater
Voting Machine Floater
Wedding Presents
Wool Growers' Floater

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A good field man is worth his weight in gold both to the company he represents and the agents he serves. Because, to most agents, the field man is the Company, we have chosen our "Specials" with great care.

When a new field man is hired, he is brought into the home office for observation and training. He is taught, along with a great many other things, that his future growth and ours depend upon the growth of our agents — that we are all dependent upon each other and that his job is to help you in every way possible.

We are proud of our field men. We believe them to be a credit to us and to the insurance industry. You can depend upon them.

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"MUTUAL INSURANCE IS OLDER THAN THE NATION"

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London Assurance

FOR ASSURANCE OF

- Friendly, understanding and dependable service and helpful fieldmen



THE LONDON ASSURANCE • 99 JOHN STREET
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Western Adjustment Names Schoettle Omaha Manager

Western Adjustment has appointed G. C. Schoettle manager at Omaha and regional supervisor for Nebraska.

Mr. Schoettle attended Northwestern University. Before joining Western Adjustment as a staff adjuster at Muncie, Ind., he had had real estate and real estate loan experience. He was transferred to Anderson, Ind., as resident adjuster in 1942 and went to Indianapolis the latter part of 1944, where he was made assistant manager in 1945. In November of that year he was appointed manager at South Bend.

Mr. Schoettle's handling of major industrial losses, both in Indianapolis and South Bend, will stand him in good stead in his new assignment.

Credit Men's Magazine Puts Out Insurance Number

The October issue of Financial Management, magazine of National Assn. of Credit Men, is an insurance number. Among the insurance men contributing are Robert S. Whitmore, first vice-president of Bayly, Martin & Fay, Los Angeles, on insurance as a key to open credit; William J. Burke, special agent U. S. F. & G., Providence, on relation of fire losses to credit; Howard H. Hook, insurance manager of Koppers

Co., Pittsburgh, on producer-carrier co-operation; Charles S. Cooper, vice-president National Surety, on blanket fidelity bonding; Lewis A. Vincent, general manager National Board, on new hazards in construction; Urban M. Lelli, secretary Phoenix of Hartford, Chicago, on complete surveys, and Fred G. Gedelman, superintendent of agencies of Fireman's Fund, Chicago, on business interruption. There are also articles on insurance by men in the credit field.

Buyers Hear Allen Guy

Allen Guy, manager of Western Adjustment at Columbus, O., addressed a meeting of Insurance Buyers of Pittsburgh on preparation and settlement of claims. His talk elicited many questions and created so much interest that it was difficult to bring the meeting to a close. This Pittsburgh group was one of the first of its kind to be organized. It was started in 1938 and now comprises about 50 company memberships from which nearly 100 buyers take active part. Meetings are held on Tuesday, twice each month, at the Pittsburgh hotel, beginning with luncheon.

Fire Assn. Names Wilbur

E. Packer Wilbur III has been named superintendent of the home office fire underwriting department of Fire Association. He has been state agent in Western Massachusetts and Vermont. He started his insurance career with Lumbermen's of Philadelphia, going with Fire Association when Lumbermen's became a unit of the group.

Hosts at the Chicago Board-Illinois association reception for Walter M. Sheldon, new N.A.I.A. president, in Cleveland: W. H. Redeker, Centralia; Frank H. Hawk, Peoria; Mrs. E. O. Stoffels, Chicago, and Mr. Stoffels.



H. G. Eason, vice-president of Wolverine; Stuart W. Doty, Grand Lodge, Mich.; P. H. Moorman, Columbus manager of Wolverine, and William J. Lowin, Mr. Doty's partner.



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PROOF OF LOSS ON ALL TYPES
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Shows Need of Record Short Cuts

The agency management service department of Phoenix of Hartford group, under W. S. Chandler, secretary, has issued an interesting bulletin on the keeping of records, one in its series of agency management ideas. The bulletin points out that each time an agent writes a policy, he must also prepare certain basic records. Five of the most essential are invoice, expiration, ledger, line and statement.

The service department asked 100 agents writing more than \$100,000 of premiums which of these records they prepared in a separate typing or hand operation. The invoice was prepared by all 100, 54 performed an additional typing operation to secure an expiration record, 78 an additional typing or hand operation to get the ledger, 62 an additional typing operation to get the line record and 87 performed additional typing operations to get the statement.

All of these agents expressed concern with the steep rise in agency operation costs. Yet, the department points out, it is obvious from their answers that there is much duplication of efforts in their office systems, with its consequent effect on payroll costs. The effort of the service department has been to combine as much of this record keeping as possible in order to effect savings. The department has achieved unusual success in assisting the group's agents, and is now hard put to keep up with the demand.

Concentrate on Personal Forms, Follis Tells "Grads"

Knowledge, equipment and prestige are three invaluable assets acquired by attending the Aetna Casualty sales course, Louis A. Follis, Jr., of New Haven told graduates of the 130th session of the school. Mr. Follis graduated from the course four years ago and is a partner with his father, Louis Follis, in his agency at New Haven.

Mr. Follis urged the graduates to concentrate at first on personal forms of insurance, promoting always accident insurance, burglary coverages and the less well known lines in which they have been schooled.

"Follow the fundamentals learned in the classroom," he advised, and described insurance coverages in simple terms, using real-life situations to show people the protection afforded by the policy. He urged setting a definite goal for each year's production, and joining enthusiastically in the company's campaigns, which he termed one of the best stimulants for new business.

The class was led by James Lewis of Beverly Hills, Cal. Blue ribbons for high scholastic standing went to H. Lee Wilts, Centerville, Ia., Wayne C. Reesman, Milwaukee; Anees Mogabgab, Jr., New Orleans, and Jacob F. Scherer, Ironton, O. Gold ribbon awards for demonstrating outstanding skill in soliciting techniques were won by Mr. Reesman, E. Owen Billington, Murray, Ky.; Mr. Mogabgab and W. G. Scarborough of Shreveport.

Associated Sets Up Ticket Machine for World Flights

Associated Aviation Underwriters have brought out a policy vending machine that provides insurance for international air flights. This is a coin operated machine the same as used for domestic airline trip insurance since 1946. The international machines have been set up at General Logan airport at Boston and at the British Overseas Airways ticket office in the Waldorf Astoria hotel in New York.

The premium for international flight accident insurance is not uniform, and the new machine makes use of special tokens. Policies sell at the same rate as those dispensed by ticket agents—

50 cents for \$5000 for flights to Iceland, Central America for South America; \$1 for Europe including Ireland and England, and \$2 for the rest of the world. Domestic policies are 25 cents per \$5000 for either a one way or a round trip.

New National Board Pamphlet

National Board has issued a new pamphlet entitled "Prevention of Dust Ignitions in Country Grain Elevators." This is pamphlet No. 64 and copies may be obtained from the board at 85 John street, New York, N. Y.

North America Expanding K. C. Office; Mitchell Named

North America is expanding its Kansas City field office into a service office and has appointed William J. Mitchell as manager. He has been assistant manager at St. Louis. He has been with the St. Louis service office since 1931.

N.A.I.W. Leaders to Meet

The executive board of National Assn. of Insurance Women will hold its mid-

year meeting at Kansas City Oct. 11-12. Mrs. Christine Buchwald, president, will be in charge.

Reports of activities will be given and plans for the coming year will be furnished. There are now 163 member clubs and about 10,500 individual members.

Insurance Women of Baton Rouge, La., at the September meeting heard a talk by Allen Smith, manager of Louisiana Assn. of Insurance Agents, who stressed the necessity for a continuous fire prevention program. The women's group is planning to participate actively in the fire prevention week campaign.

We're opening a new market for You!

*The Voyage is Over...
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Trip uneventful—into port on schedule. Then FIRE breaks out in No. 2 hold—with serious loss to a valuable cargo.

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The Marine Office of America offers you the soundest possible insurance protection on your cargoes all the way from point of origin to final destination . . . protection that is based upon—

- Specialized marine underwriting experience.
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For sound ocean cargo protection through the Marine Office of America . . .

See Your Agent or Broker!

To help develop ocean cargo prospects for you, the Marine Office of America is advertising in leading export and national business publications each month. Our current advertisement is here reproduced.

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THE CLIENT with THE HIGH "I.Q."



He had the highest I.Q. (Insurance Questions) rating of them all. He wanted service. More than that he wanted answers. He could fire questions staccato—and he was rarely pianissimo—"... prepare recommendations?... eliminate hazards?... suggest... reduce... review?..."

But this agent was a pretty smart fellow himself. He knew that for many of the answers his own knowledge and experience would have to be supplemented by the specialized cooperation offered by Pearl American.

Agents and brokers throughout the country are calling on Pearl American for the answers that can't be furnished without a lot of "digging". They depend on Pearl American's fast, accurate replies. Join the other brainy agents who have discovered that Pearl American's highly trained underwriters and fieldmen know the answers. Profit by servicing your clients through Pearl American.

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SAN FRANCISCO, 369 Pine Street

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CINCINNATI, 1423-24 Carew Tower
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C. M. Gallagher, U. S. manager; Frank Ludington, western manager of Atlas; L. A. McIntyre, secretary Springfield F. & M., and R. M. Beckwith, assistant manager of Insurance Executives Assn., at the W.U.A.-I.E.A. gathering at White Sulphur Springs.

C. C. Tomlinson, Aetna Fire Veteran, Retires

Charles C. Tomlinson, Jr., superintendent of the loss department of Aetna Fire group, has retired after more than 47 years of service. His brother, Henry R. Tomlinson, former vice-president who retired in 1950, had been with the company for 52 years.

North British London Executives Visiting in U. S.

The chief executive officers from the head office at London of North British group, Lord Robert Brand, chairman, and E. Lansdowne, general manager, visited for three days in Chicago on the return leg of a two-month tour of North British offices in Canada and the U. S. They were accompanied on the U. S. visits by William L. Nolen, the U. S. manager of North British.

At Chicago, the executives, together with Charles L. Day, secretary in charge of the midwestern department, were hosts at a reception at the Union League Club for Chicago class 1 agents. On the second evening of their stay, Ward Seabury, chairman of Marsh & McLennan, was host at a dinner, and Mr. Day gave a luncheon for them.

This is the first insurance visit of Lord Brand and the fourth or fifth for Mr. Lansdowne. The business tour began at Montreal, and the London executives stopped at Ottawa, Toronto, Winnipeg, Edmonton, Calgary, Vancouver, and Victoria. They then flew to San Francisco where they met Mr. Nolen, and visits were made at Los Angeles, Riverside, Cal., Chicago, and the visit will conclude with stops at Detroit, New York and Philadelphia.

Has International Acquaintance

Mr. Lansdowne, the operating head of the worldwide insurance enterprise, is personally acquainted with nearly all of the branch managers of North British throughout the world. He was for a time the Australia-New Zealand manager for the company before going to London, and he has made tours to all of the countries in which North British operates.

Lord Brand, who is a director of the London "Times" and of Lazard Bros. & Co., merchant bankers, is considered primarily to be an economist and banker, but he is also a director of Lloyds of London, as well as chairman of North British. He has visited the United States previously as a representative of the British government in 1917, being chairman of the British mission in Washington. He was vice-president of the International Financial Congress of the League of Nations in 1920, and financial representative of South Africa at the Geneva conference in 1922. He headed the British food mission in Washington from 1941 to 1944, and represented the British Treasury in Washington from 1944 to 1946. He was the United Kingdom delegate to the Bretton Woods and Savannah confer-

ences, and is now the head of the Royal Economics Society.

Assisting Mr. Day at the Chicago reception for the agents was F. B. Ingledew, assistant secretary, and Walter F. Moore, assistant secretary, who has just moved to Chicago from New York, where he was head of the midwestern department.

Springfield F. & M. Open House Slated for Oct. 10

Springfield F. & M. is holding open house for inspection of its new home office in Springfield, Mass., Oct. 10.

Chubb & Son Featured

The October issue of Nation's Business carries a feature article on Chubb & Son, entitled "Risk Is Their Business." It is an interesting account of the organization, its founders and some of the unusual risks it has undertaken.

Insurance Women's Club of Oklahoma City heard F. J. Winton, manager Oklahoma motor vehicle assigned risk plan, tell of its value. He also discussed the work of Oklahoma Compensation Rating Bureau.

Fred Cromer has joined the Fetter agency at Findlay, O., which will now be known as Fetter, Steegman & Cromer.

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L. Gallagher, manager; L. Ludington, manager of L. A. McInnes, secretary; F. & M. M. Beckwith, manager of Executive at the W.U.A. gathering at Sulphur

of the Royal the Chicago F. B. Ingle and Walter F. who has New York, midwestern

Open Oct. 10

holding open new home Oct. 10.

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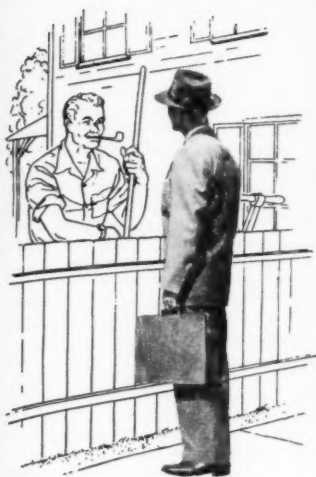
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INSURERS WARY

Super Markets Still Poor Risk

Fire underwriters are watching super-markets with an eagle eye due to the alarming increase in both the number and severity of fires in these retail food establishments in the past few years. A large number of the fires result in total loss of the building.

Such an increase causes concern, and insurers are allotting net lines carefully. Multiple reasons have been offered for the condition and remedial steps are constantly advanced.

Structure designs leave the markets prey to fire. Fire has been described as a characteristic of the planning of the building. Its size often prevents the firemen from reaching the heart of the blaze; blank walls offer resistance; parked autos contribute to the difficulties.

Lots of Combustible Stuff

The contents of the buildings contribute to the hazard. Tremendous amounts of combustibles are present. Wood, paper, paint, stock and other items serve as a readily available fuel for a fire. Its origin is often traced to the utility area. Among the hazards responsible are refrigerator motors and equipment, smoking, incinerators and heating equipment, and combustible refuse.

Many of the most serious fires occur during the night. Discovery is delayed and the fire gains headway, engulfing much of the structure, before the fire department arrives.

Some of the stores are poorly located in respect to the availability of fire fighting equipment. While most of the business district is located in the center of a town, with the fire fighting equipment within or next to the area, super-markets are occasionally located on the fringe of the town, removed from the centrally located equipment.

Fine F.&S. Program at Hemisphere Conference

At the fidelity and surety discussion sessions during the hemispheric insurance conference in New York, Martin Perez Alonso, president of General Surety and Federal Surety of Havana, noted that corporate suretyship in general is confined to a few countries where it operates satisfactorily and successfully—the U. S., Mexico, Venezuela, Great Britain and Cuba.

In some other countries of the hemisphere, fidelity bonds are written, in a restricted form, by fire insurers. It would be highly advantageous if all the countries of the hemisphere should decide to operate suretyship in the form known in the U. S., etc.

General chairman was C. H. Hall, vice-president of American Surety, assisted by Sr. Perez Alonzo and Carlos Escalante, manager Compania de Fianzos of Mexico. Sr. Escalante discussed historical development of fidelity and surety business in Mexico on behalf of the surety committee of the Bankers Assn. of Mexico.

A. H. Russell discussed court and miscellaneous bonds; W. H. Bennem, blanket fidelity bonding; and F. W. Bull, contract bonds. All are vice-presidents of American Surety. Jose Maria Gutierrez, Sociedad Anonima de Seguros Generales, prepared a paper on bond institutions in Venezuela read by Paris Amberg of that country.

Martin W. Lewis, manager Surety Assn. of America, was host at the luncheons, and Elmer Anderson, Peter Zimmerman and David Porter of that organization assisted in the conduct of the sessions.

Theodore Safford, vice-president of A. W. Shell agency, Cincinnati, and Mrs. Safford, are spending a three weeks' vacation in Bermuda.

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Employee Suggestions Aid Themselves and Company

By C. H. HALL

Vice-President American Surety

As distinctively American as hot dogs, baseball and skyscrapers is the recent development of the suggestion system. While a few companies have had suggestion programs for many years, the employees' suggestion plan movement received its big impetus at the beginning of the second world war when the pressure became the greatest to produce the maximum of goods in the shortest possible time. A great many companies manufacturing war material were quick to see the advantages of a well integrated suggestion system and to set up a modern program in their

plants. These suggestion systems were unquestionably a big factor in increasing production.

The federal government was so impressed with the value of suggestion programs that it established the necessary organization to coordinate the suggestion programs of the armed services, and, following the war, suggestion plans were adopted by most governmental departments. They have resulted in savings each year of millions of dollars of taxpayers' money. The Navy and War departments are doing an exceptional job with their programs and the enthusiasm and ability with which they use this important tool is very gratifying.

At the end of the war it was predicted

that the suggestion plan movement would fold up because the emergency was over. However, this did not come to pass. The movement has spread and gained impetus since 1945. Of course, some companies discontinued their suggestion programs for one reason or another, but with the Korean struggle a number of suggestion systems that had been discontinued were taken out of mothballs, dusted off and put into good working condition. Why? Because these companies felt the need of a good suggestion system in order to attain maximum production as well as to increase the efficiency of their operations. It should, however, be emphasized that a suggestion system is just as desirable and valuable in peace time in order to help a company's competitive position as in war when the only thought is increased production. A number of leading manufacturing companies have indicated that their suggestion systems are a vital factor in determining their competitive position in the industry.

Examining the modern, streamlined employee suggestion system as we would an insurance policy, we find it provides a two-way flow of communication between employees and management. It encourages employees to think of better ways of accomplishing their own jobs and the relationship of those jobs to the over-all business of their company. "Idea insurance" will do much for any company, large or small. Its coverage is broad and the advantages it affords are many.

Improved Employee Relations

First and foremost, improved employee relations. The development of the "WE" attitude and the sense of belonging to the company; the feeling their suggestions are wanted and the sense of pride when an adopted suggestion has been put into effect.

Second, a continuous flow of suggestions dealing with all phases of the company's operation. Every company must continually have the benefit of new ideas if it is to progress and succeed. Without a constant flow of new ideas any business will stagnate.

Third, improvement in operation, increased efficiency, increased economy, improved services, improved public relations, etc.

Fourth, the development of people. Those who work on the suggestion committees are given a very liberal training and broad experience through the investigation and processing of sugges-

tions dealing with so many phases of the company's business. Supervisors and department heads asked to submit their analysis of suggestions and recommendations can show their knowledge of the company's business, their thoroughness in analyzing suggestions and their ingenuity and resourcefulness in finding every possible way in which suggestions might be helpful and valuable to the company. In this way it helps us to discover hidden talents. The other day I heard of a young man in the engineering department of a large manufacturing company who showed these qualifications of thoroughness, ingenuity and resourcefulness to such an extent in the way he wrote up the result of his investigation of suggestions that he was soon singled out by his company for promotion.

Expense Control

Fifth, expense control is a very important factor in most companies. Its importance is growing with the increased need for efficiency and economy is realized. Our suggestion program has been of inestimable value in producing suggestions which in countless ways have helped to streamline work and reduce expenses. One suggestion leads to another and changes come thick and fast—changes which are not just a different way of doing things, but a better way.

This idea insurance policy affords important protection for modern American business. Its coverage is broad. It meets a number of our needs. It does a lot for us. However, what does it cost? What premium do we have to pay? The first item of cost is a deep and continuing interest in the company's suggestion system by top management, together with their wholehearted support of the suggestion program. Unless we are willing to pay this price the results we receive from our suggestion program policy will be very limited indeed. Management's cooperation and genuine enthusiasm for the company's suggestion system are absolutely essential.

The next item of cost in employee relations is likewise the solid backing of foremen, supervisors and department heads. This is so important that I should like to examine the ways in which supervision can, through its cooperation and interest, pay its portion of the premium for the company's idea insurance.

1. Be thoroughly familiar with his
(CONTINUED ON PAGE 14)

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W. B. Rearden, Jr. of Towers, Perrin, Forrester & Crosby of Philadelphia, after driving off at White Sulphur Springs during W.U.A. convention. Lester Harvey, president of New Hampshire Fire; C. F. Germain, Excess Management Assn., and Herbert Payne, vice-president of Home, are spectators.

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CONFERENCE HAS FORUM

Underwriting Subjects Are Treated at Cincinnati

Underwriting limits, over-age risks, multiple hospital policies on a single insured, training of new underwriters, and a case clinic—subjects of tangible interest to the home office underwriter, were treated at the sessions of the underwriting forum of H. & A. Underwriters Conference at Cincinnati.

A. M. Hansen, assistant chief underwriter of Mutual Benefit H. & A., reviewed dangers of stacking policies and situations under which stacking takes place. "The first thing we should do as companies and underwriters is to get ourselves in front of great, big mirrors and take a look at ourselves and company practices and find just why does one of our policyholders go to someone else and buy another policy and yet retain ours."

Forcing Up Loss Ratios

"In this stacking," he emphasized, "we have been forcing ourselves into relatively high loss ratios." He pointed out that his observations showed that many policies on which stacking was taking place had been in force for some time, so why suddenly stacking? It was discovered that the policies that had been sold were not quite up to present-day demands. There is a job here for the companies, he said, to keep policies up to date and to provide adequate coverage. If this isn't done, sooner or later, the policyholder will become aware of the shortcomings, and then stacking starts, and once started, often it doesn't stop with a single additional policy.

He said that if experience is not too good on hospital policies, perhaps stack-

ing is the reason. It was found that, strangely, in some instances, the amounts incurred during a hospital confinement were in very close relation with the cumulative amounts of coverage in force. This situation, he said, can affect adversely the public relations of the entire industry.

"I urge," he said in conclusion, "that we be practical in our limits, that we keep our policies modern, that we meet the public demand, that we watch our losses on policies, letting that be the barometer to govern us in this problem of stacking, keep an eye on adverse selection if you must stack, but, last of all, most satisfactory of all, let's avoid it if we can."

There was a case clinic, with Roy A. MacDonald as moderator. About 24 cases were analyzed by an eight-man panel. Opinions as to underwriting actions expressed by panel members were subjected to discussion and opinions from the floor, all of which produced a lively, profitable session.

Cautions on Limits

A word of caution as to the limits of monthly income to be written under A. & H. policies was given by J. W. Wickman, A. & H. manager of Mutual Life of New York. He noted that many companies have increased their limits above the amounts that they considered ample five or six years ago, but the trend is conservative.

There are still those in the business, he said, who remember the situation in the early 1930's when monthly indemnity in amounts of \$1,000 or \$2,000, or even \$3,000 was not uncommon, and the

loss ratio rose from 61.5% in 1927 to 77% in 1932. This was in spite of the fact that the public health records for the same period showed a decrease in disability. Mr. Wickman commented that this experience has shown that companies must permit limits that will be tenable, not only for the present but for 10 years from the present. He noted also that it has been established that the risk who is insured for \$400 a month is apt to claim disability much longer than a similarly disabled insured who was covered for only \$100.

The companies at the same time must offer coverage in relation to earnings, or the prospect will seek the entire coverage elsewhere, or will immediately add coverage from another company. If this occurs too frequently, the agent of a company writing low limits may feel that he would be better off with an insurer that can handle the majority of his business.

Must Consider Market

In considering how much indemnity to allow, Mr. Wickman said the prime consideration is the market in which the company plans to operate from which

the majority of its business is to be obtained. An insurer planning to direct its sales largely toward the rural area or small town can consider smaller limits than that operating in the metropolitan centers. Executives in the big cities will not be satisfied with monthly indemnities of \$100 to \$200 a month.

The agency force must be considered. If the agents are not well trained to sell a sizable amount, the larger contracts will be infrequent and will, as often as not, be business that was "purchased by the applicant" and not "sold by the agent." This is adverse selection of a dependable nature, Mr. Wickman commented.

Limits should not be set too much in excess of the anticipated average sale. The company would be better off to forego the occasional jumbo case, which may often result in serious loss, unless it is prepared to go aggressively after this business and get a satisfactory spread.

The companies writing relatively low indemnity limits of perhaps \$200 a month have the problem of having agents who have the ability and connec-

(CONTINUED ON PAGE 22)



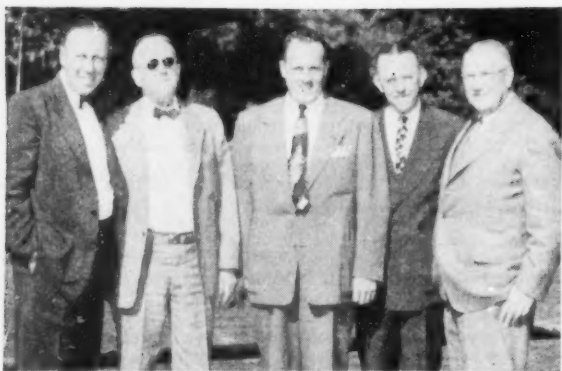
Fred Sabin, assistant western manager of American; C. E. Harbin, manager of Underwriters Grain Assn.; Peter Erickson, manager of Underwriters Service Assn., Chicago, and C. G. Thro, assistant western manager of Crum & Forster, at the W.U.A. meeting.

FIRE and ALLIED LINES

INTER-OCEAN REINSURANCE COMPANY CEDAR RAPIDS IOWA

PRO-RATA AND EXCESS OF LOSS

NEW YORK 90 JOHN ST.



National Fire executives at White Sulphur gathering: E. H. Forkel, western manager; Col. Frank D. Layton, chairman; E. Humphrey, and Hugh Osborne, assistant western managers, and H. B. Collamore, president.

Value of Employee Suggestions Told

(CONTINUED FROM PAGE 12)

suggestion program and lose no opportunity to sell it to anyone and everyone he talks to.

2. Be an enthusiastic booster for it with those whose work he supervises.

3. Urge and encourage employee participation. A suggestion program has to be continually promoted and publicized.

4. Assist employees in making suggestions. Where an employee needs help in putting his suggestion down on paper in understandable form, his supervisor should give him all the assistance he can. One of the greatest deterrents to making suggestions is lack of confidence. Ask an employee whether he has had an idea on his job and 90 times out of 100 the answer is "Yes, but I don't think it amounts to much." This is a fine opportunity and responsibility to build up confidence by encouraging and helping them develop and express their suggestions.

Procrastination Is Deadly

5. When the supervisor is asked to analyze or give his recommendation on any suggestion, it should be handled promptly and thoroughly. Procrastination in processing suggestions is deadly and one of the surest ways of discouraging the submissions of suggestions.

6. If the recommendation is that the suggestion be rejected, good and sufficient reasons should be given in order that the proponent feels that his suggestion has been fairly and impartially considered.

The cooperation of supervisors is even more basically essential than outlined above. Suggestions are not a separate function in the company nor are they a criticism of supervision. We are constantly seeking ways and means to make improvements. We frequently consult each other with the hope of receiving a practical idea which will guide us. A suggestion on a form should be considered in this light and the employee given a prompt and reasonable reply.

The other major items of cost of the suggestion program are the liberal cash awards for accepted suggestions, cost of administering the plan, including the time and effort expended in acknowledging, registering, indexing, investigating, analyzing, answering suggestions, and, finally, in putting accepted suggestions into effect.

Continued favorable publicity and frequent promotional effort are essential to be certain there is always something new and interesting happening in the suggestion program.

American Surety Program

In 1942 American Surety set up a modern suggestion system. It was first announced by a communication from our president to each member of the staff, in which he stated he was looking for new ideas and invited their suggestions for carrying on the company's business which would produce more desirable business, save unnecessary expense, increase service and efficiency. The response was immediate from all departments in the home office and from the 39 branch offices throughout the

country. During the first year, over 1,000 suggestions were received and for more than ten years now the flow of new ideas and the interest in the program has been sustained.

While we all like to think in terms of a large number of suggestions, it is also highly desirable to have as widespread participation as possible in the program by members of the organization and our publicity and promotional efforts have been directed towards that end.

Annual Awards

We have made quite an occasion each year of the presentation of annual awards for the most valuable contributions during the year and for several years annual award winners outside of New York have been brought to the city for a visit and to receive their award at a dinner. A member of the staff at a branch office made the suggestion that the winner of the highest annual award for the year be given the trip to the company's home office to receive the award. He received an award for his suggestion and a few months later on being selected to receive the highest annual award became the first to win the New York trip.

One suggestion the company received advocated elimination of an extensive card index. The matter was investigated thoroughly. That particular index was retained, but three others were eliminated and eventually the first will also go. This did away with the writing and filing of about one million cards annually, a very substantial saving in both work and space.

Many suggestions deal with small items. Yet these in themselves are im-

portant enough, and in the aggregate are quite valuable. One suggestion dealt with the substitution in certain instances of a jacket card instead of a filing jacket, which is more expensive and requires more space to file. Another was the use of straight folders or flat jackets instead of expansion jackets, which are five or six times as expensive, for bonds and the papers connected therewith.

Time and expense saving, of course, are emphasized in all the suggestions. Everyone is invited to make suggestions and one goal is to have 100% participation.

One practice was to make duplicate

files at branch and home offices when a bond was reported. As the result of a suggestion, the company now makes up only one record on smaller bonds which are now reviewed at the home office. This saves tens of thousands of such home office files a year.

Many suggestions deal with the combining, simplifying or elimination of forms. Here it is not only the saving of preparation, but also the time spent by those who have to read them, once they are prepared.

After serving as coordinator of our company's suggestion program for the past 10½ years, I am thoroughly con-

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vinced that our company is a better company and our employees get increased satisfaction from their work because the suggestion program enables them to express their ideas freely and encourages them to think more about their particular job and its relation to the over-all business of the company. We don't expect world shaking ideas but we do know that we have overall improved operating procedure as the result of the many suggestions adopted over the years.

Splendid Reaction

We have a very thick file of wonderful letters from members of the staff around the country expressing appreciation for the opportunity of having their suggestions thoroughly considered. "To have been even in a small way helpful to the company through suggestions submitted by me is most gratifying and is really a source of pride," is typical.

During 1952, the 11th year of the program, with the acknowledgment of an employee's first suggestion submitted this year, we enclose an attractive red plastic pencil inscribed "Suggestion Program, American Surety Company." This has stimulated a great deal of interest and enthusiasm for the suggestion program. The suggestion program is promoted and given publicity through attractive monthly posters, through articles and award announcements in the company's monthly house organ and, of course, whenever awards are presented.

The suggestion plan is founded on the premise that there is no procedure, method or operation that cannot be improved upon and that a thing well done is not good enough for there are still better methods. If this were not so, there could be no progress. That is the reason why we have employee suggestion systems.

STOCKS

By H. W. Cornellius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Sept. 30, 1952

	Div.	Bid	Asked
Aetna Casualty	3.00*	91 1/2	93 1/2
Aetna Fire	2.25*	56	57 1/2
Aetna Life	2.50*	93	95
American Alliance	1.50*	32 1/2	34
American Equitable	1.50	28 1/2	30
American Auto	2.00	46 1/2	Bid
American (N. J.)	1.00	26 1/2	27 1/2
American Surety	3.00	52	54
Boston	2.60*	69 1/2	72
Camden Fire	1.00	23 1/2	24 1/2
Continental Casualty	2.50*	82	84
Crum & Forster Com.	2.00*	41	42 1/2
Fire Association	2.60	65	66 1/2
Fireman's Fund	1.60	56	58
Firemen's (N. J.)	.80	26 1/2	27 1/2
General Reinsurance	1.60	37	38 1/2
Glens Falls	2.00	61 1/2	63
Globe & Republic	.80	15 1/2	16 1/2
Great American Fire	1.50*	36	37 1/2
Hartford Fire	3.00*	147	149
Hanover Fire	1.60	38	39 1/2
Home (N. Y.)	1.80	38 1/2	39 1/2
Ins. Co. of North Am.	2.50*	80	82
Maryland Casualty	1.20	24 1/2	25 1/2
Mass. Bonding	1.50*	21 1/2	22 1/2
National Casualty	1.50*	28	Bid
National Fire	2.50*	78	80
National Union	1.80	40 1/2	42
New Amsterdam Cas.	1.50	38	39 1/2
New Hampshire	2.00	45	46 1/2
North River	1.20	29	30
Ohio Casualty	1.20	65	67 1/2
Phoenix, Conn.	3.00*	102	104
Prov. Wash.	1.50*	29 1/2	31
St. Paul F. & M.	.80	34	35 1/2
Security, Conn.	1.60	38	39 1/2
Springfield F. & M.	2.00	51	53
Standard Accident	1.60	37	38 1/2
Travelers	14.00*	668	675
U. S. F. & G.	2.00	55 1/2	57
U. S. Fire	1.40	43 1/2	45

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Big Contribution to Traffic Safety

(CONTINUED FROM PAGE 2)

Robert Maxwell, F. W. Offenhauser & Co., Texarkana, Ark.; and Louis E. Woodbury, Jr., Wilmington, N. C., appointed.

Mr. Neumann, past-president of the New York state association, has served a year as executive committeeman. He was chairman of the producers liaison committee with the New York State Workmen's Compensation Board and chairman pro tem of the policy forms subcommittee of the All-Industry Committee on the New York state disability benefits law.

Mr. Callister has been president of his state association as has Mr. Ross; Mr. Battles has taken an active part in state and National association affairs for

years. Mr. Maxwell did an outstanding job with the study and report that led to the broader base and more continuous service of the executive committee membership, and Mr. Woodbury has contributed much to his association and has been chairman of the Southern Territorial Conference.

In addition to recognition of the Indiana association by Assn. of Casualty & Surety Companies with an award for safety the Harrisburg, Grand Ledge, Mich., Richmond County (Staten Island), N. Y., and Dixon, Ill., associations won awards for safety effort.

The banquet turned out to be as satisfactory as any in the N.A.I.A. series. There was some apprehension that an

elaborate meal delivered to an auditorium from the outside would not work, but the food was excellent and the service prompt.

The entertainment was top grade, sponsored by Aetna Casualty, Agricultural, American Associated, American Surety, Buckeye Union, Chubb & Son, Commercial Union, Employers Liability, Fidelity & Deposit, Home, Maryland Casualty, National Union, Ohio Casualty, Pearl, Royal-Liverpool, U. S. F. & G. and Zurich.

Mr. Warfield acted as special installing officer and Superintendent Robinson of the Ohio department gave the new officers their oath of office.

Kudos to Cleveland

Among those at the head table were C. D. McVay, president of Ohio Farmers; Commissioner Martin of Louisiana, president of N.A.I.C.; and Frank E. O'Brien, vice-president of America Fore, and Charles F. Stewart, president, Hugh K. Dawson, immediate past-president and Joseph H. Bishop, Jr., executive secretary of the Cleveland Board.

A lot of kudos goes to the Cleveland people for the smooth way the convention unrolled, especially its social elements, and it was their work, along with that of N.A.I.A. headquarters staff headed by John F. Neville, executive secretary and Donald W. Perin, his assistant, that overcame the dissipation effect of the convention being split among four hotels. Especial credit goes to the Cleveland contingent, headed by Messrs. Dawson and Stewart and Mrs. Lenore Schwartz, who did an effective job with the ladies entertainment.

SAFETY SESSION

The potential power of agents to strike at traffic accidents has never been realized, Dr. Herbert J. Stack, director of the center for safety education, New York University, said in introducing the panel on the adult driver during the accident prevention session.

These are serious days for the automobile insurance business. Agents are directly concerned. Everyone is searching for a solution of the serious problem of rising traffic accidents and insurance loss costs.

It is a complex problem and is going

to require real, hard work by the companies, agents, safety councils and committees, police, engineers, courts, teachers and dozens of other agencies.

What can agents do to aid in reducing accidents? What can be done to improve the driver through education and training?

Far more can be accomplished by agents and their associations without too great individual effort, that would be good for their own business and would tend to reduce accidents, he asserted. The 41% of high schools that provided driver instruction last year, to some 54% of the eligible students, is a real achievement, and registrations have doubled during the last five years. But the following states show under 10% of their schools: Arkansas, Kentucky, and Tennessee—while Alabama, Colorado, Florida, Louisiana, Montana, South Carolina, and South Dakota show between 10 and 20%. Why is it that states like Massachusetts, Delaware, Arizona, New Jersey, Wisconsin, Illinois, and North Dakota can show between 75 and 100% of schools offering courses while neighboring states are under 20?

What Agents Can Do

But there are some specific steps that agents and their associations can take. First of all, do high schools in the community offer courses? If not, why not talk with the superintendent of schools or the principal? Many agents are members of local service clubs and meet these educators regularly; others are on school boards. In a friendly way they can discover the difficulty and often help solve it.

A Teaneck, N. J. agent, Robert Morrill, was a member of the school board. The board had strongly opposed driver education when Mr. Morrill introduced the recommendation. Not dismayed, he prepared a long memorandum of the advantages of such a program and resubmitted it to the board, putting up a strong fight; and the plan was finally approved. Starting out with one car and one instructor Teaneck high school now has jumped to two, with both kept busy by the demands. What he accomplished in Teaneck can be done in other communities.

Some associations have furnished psychophysical testing apparatus; others



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William C. Brink, Ottumwa, Ia.; Robert A. Brown, Waterloo, Ia.; W. H. Redeker, Centralia, Ill.; Lyman Drake, Chicago, and Harry W. Poulson, Boise, at a session of National Board of State Directors during the Cleveland N.A.I.A. meeting.

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films and books, where courses already exist. Local and state associations can do more. This same Bergen county association helped start the first courses in driver education nearly 20 years ago.

Each local and state association should at least have a safety chairman and a committee, to locate weak spots and try to correct them in specific ways. North Carolina and Oklahoma City agents actually financed the salary of a safety director in the schools for a year, while the Indiana association now has a full-time director of safety.

Adult Driver Education

Adult driver education is another project for agents and their associations. There are over 60 million drivers in the country—most of whom have had little or no training. The average mileage exposure is steadily increasing and along with it increased accidents and insurance costs. Drivers will profit from training.

The center's booklet "Driver Education for Adults," has been given a fairly wide distribution, but again not in some states—generally the same states that are in the doldrums on high school driver education.

Public adult driving courses are already being given in 15 states—New York has over 100 such schools. More than 1,800 commercial driving schools also trained close to a million drivers last year. Commercial motor-vehicle fleets have also set up training programs, as have transit companies. Most states are also training school bus drivers. Another type of training is the traffic-court school, designed for chronic violators and accident-repeaters. A combination of all of these kinds of training could readily reach several million drivers each year.

Adult Refresher

There is one type of school, called the adult refresher, which agents and their associations can set up in their communities. A large percentage of adult drivers have had little or no training. A short course of this type, properly advertised, will attract enough drivers to make a satisfactory class. The adult refresher has been adopted by the N.A.I.A. as a project for the year, and copies of the course outlined can be secured from it.

What is needed is for the agents and their associations actually to get something under way. An association that introduces driver education into the local schools, puts on a refresher course, etc., is doing something of value, for training of this kind has permanent value; education is something that stays a long time.

Deane W. Merrill of Newark described the test of the new 8-hour adult driver

refresher course developed by the accident prevention department of Assn. of Casualty & Surety Companies and center for safety education for use by local boards. The test was carried out by the Essex county, N. J., association.

Housing is of course one of the major problems, and here the group used Colonial Life's home office cafeteria. The course itself has been carefully and effectively planned, Mr. Merrill said, as to housing, publicity and promotion, materials, equipment, and instruction and supervision. There were 107 enrollments in the test, a high attendance of 95 and a low of 60.

The agents were delighted with the results and could repeat the course on the same basis and have to turn away applicants. In November the New Jersey agents will organize a course for the Bloomfield safety council.

Bloecher Has Suggestions

Carl H. Bloecher of Rutherford, N. J., described the high school driver course conducted in Bergen county. The motor vehicle department cooperated to the extent of relieving pupils receiving a certificate for the course from taking the written examination for a driver's license. Bergen county also gave an adult refresher. He suggested it could be restricted to three nights and still maintain its efficiency. Certain pitfalls lie in the way of those conducting it. Not enough agents attended all the lectures. Not all agents followed through on the sending of invitations to members of the public to enroll. Oddly enough, those agents that are having the most trouble placing casualty business do the least to help themselves.

He suggested also working more closely with parents-teachers organizations.

Schwab Reports

The Richmond county association's safety clinic, conducted with the Staten Island Kiwanis Club, was outstandingly successful, Arthur L. Schwab reported. More than 1,200 people took free driver tests, copies of the state driver's manual, Ford Motor Co.'s deft driving manual, the New York City traffic regulation booklet were distributed during the clinic, which was held at the Staten Island exposition of progress last May. Insurance Women's Club of Staten Island helped.

Success of the clinic spurred the association to plan adult refresher courses for the future. The clinic equipment was purchased by an automobile dealer and set up permanently in his show room.

A new approach to teen age driving was discussed by Frank P. Middleon of Phoenix, president Arizona association,

Group of Cincinnatians with Commissioner Robinson of the Ohio department at N.A.I.A. convention in Cleveland: A. Julian Lenke, E. Stacey Downs, Mrs. Arthur M. O'Connell, Mr. Robinson, and Raymond F. Folz.



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at the accident prevention session. At Phoenix there has been in operation two years a juvenile traffic attitude school, conducted by Judge C. C. Bernstein, which attempts to correct the attitude of the juvenile traffic offender toward driving and other drivers.

The success of the school has been marked. It started July 1, 1950, and 2,747 citations have been issued in the interval. Of this number, juvenile officers referred 1,276 to the school, and only two had to be returned to the justice court for prosecution as an adult. In the first six months of 1952, 2,000 traffic accidents were reported—only 9% of which were in the 16-17 age group. In many of these cases the accident was not the teen age driver's fault.

A Ten-Hour Course

Reference to the school is for a serious violation or in case the attitude of the juvenile offender is not proper. The school consists of a ten-hour course in traffic safety divided into five 2-hour sessions. In that period students are not allowed to drive except while in school supervised by an instructor. The school includes the test of the driver's knowledge of the mechanical operation of a vehicle, psycho-physical testing for such things as depth perception and visual acuity, lectures on necessity of good traffic regulations and enforcement, explanation and tests on reaction time and braking and stopping distance, and then the Siebrecht attitude scale and a second standard test in driver education.

The philosophical item of the convention program was contributed by Dr. Russell J. Humbert, president of DePauw university, who discussed the tight rope tread by most business and professional people between the two chasms of confidence and complacency.

Walter B. Cary of Detroit, chairman of the war damage insurance committee, reported the substantial nullity to which various proposals in this field have come. He suggested discharge of the committee and that the subject be referred to the legislation committee of N.A.I.A. as the 83rd Congress gets to a discussion of it.

The finance committee report by Harry T. Minister of Columbus, reveals that the association is living within its budget and has a nice reserve.

The Syracuse china donated by Excelsior was won by H. F. Hines, Atlanta, southern manager of Crum & Forster. Myra Knight of Upper Montclair, N. J., drew the ticket.

The next midyear of N.A.I.A. will be held at Hollywood Beach, Fla., April 29-May 2, in conjunction with the Southern Territorial Conference annual; the 1953 annual at Washington, D. C., Sept. 28-Oct. 1, and the 1954 midyear at Seattle in connection with the Far West Conference annual. The 1954 annual is tentatively set for Chicago in the early fall.

Cornbelt to Sell Stock

Cornbelt Ins. of Springfield, Ill., will sell 200,000 shares with a par value of \$1. The selling price will be \$2 with the extra dollar being contributed toward surplus.

At the start and until the company is well under way, only fire and extended coverage will be written on selected risks. Activities will be confined to Illinois at first.

Home Chicago Festivities

Some 300 employees of Home at Chicago were guests of the company at a dance in appreciation of their cooperation in handling the huge reception recently in connection with the opening of Home's new Chicago offices. Executive Vice-president Kenneth Black, who was in Cleveland for the N.A.I.A. convention, went to Chicago for the occasion. Vice-president R. E. Minner at Chicago was head man at the dance.

Walter Brooks, deputy New York superintendent, will be the speaker at the Oct. 1 meeting of Buffalo Assn. of Fire Underwriters.

Green Light to Air War Risk Program

(CONTINUED FROM PAGE 2)

to the budget bureau, the latter to pass upon it and recommend to the President, who will submit a recommendation for whatever sum he may approve to Congress next January. It is believed this will be on the multi-million side, though no figures from official sources are available.

Griswold Forbes of the defense air transport administration is reported in charge of details of setting up the new program. A member of the department's solicitor's staff, he is legal advisor to DATA assigned to the program.

Mr. Forbes said the program will include aviation hull, operators liability to passengers, property damage to shippers and air cargo. No figures on rates under the program have been decided upon.

Forbes said that actually aviation war risk is not available at all now to U. S. international carriers, except that in one case it is available, subject to cancellation on 48 hours notice.

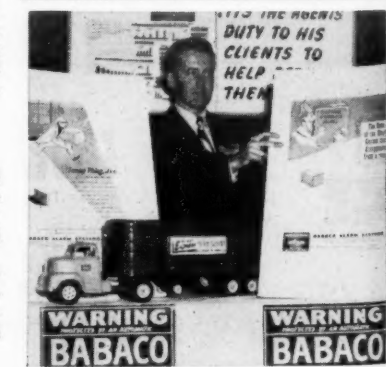
It is expected in some quarters that DATA will take on the job of administering the program. Ray W. Ireland is administrator of DATA.

C.P.C.U. Announcement Out

The 1952-1953 "Announcement" of the American Institute for Property & Liability Underwriters has just been distributed. It contains the dates for the C.P.C.U. examinations in 1953, 1954 and 1955, and there is a revision of the suggested reading list which includes some of the latest material. Examination statistics for 1952 are also shown, revealing that in general there were fewer persons taking the examinations in 1952 than in 1951, but more of them passed.

In 1952 a total of 2,253 separate examinations were taken by 1,498 persons, with 1,354 papers receiving passing grades and 899 below passing. As a result of examinations this year, 187 additional persons were awarded the C.P.C.U. designation, increasing the total to 878. There were nine persons who passed all examinations but still must fulfill the experience requirement.

Lumbermen's Mutual Casualty is purchasing the Beechwood hotel at Summit, N. J. to house, it is understood, the clerical facilities of the firm.



Frank Kent of Babaco looking over the Babaco display at N.A.I.A.'s Cleveland convention.

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Air ram (PAGE 2)

Large, Small Agency Sessions Ring Bell

(CONTINUED FROM PAGE 2)

Pritchard said that there are several other insurance offices in this cross-referral plan, but it is not confined to insurance offices.

He said his office tries to back up every employe with one or two others who are trained to do the work, thus minimizing the problem of illnesses, vacations and resignations. This takes time and patience and does involve shifting the duties of employes occasionally, but Mr. Pritchard said he and his associates are convinced it is worth it. He also said a new employe must not be taught a few things quickly and then forgotten—that the training process must be a constant one and the principals of the firm must be willing to devote considerable time to it.

Mechanical Aids

To speed up office procedures, Mr. Pritchard recommended setting up standard form letters for various purposes in pads, consolidating forms and using pads of all types of forms as much as possible. He recommended development of a general application form which can be used for any coverage and sending out statements in envelope form, so that the account can be easily identified when a check is received.

Mr. Harman stressed the use of mechanical aids. He said that a good rule to follow is that whenever an office thinks it needs another employe, it should first see if one or more mechanical aids cannot make this unnecessary—if a bookkeeping machine cannot substitute for another bookkeeper, modern dictating equipment for another stenographer, etc. Among other aids, he suggested consideration of microfilming old records, to reduce the number of file cabinets needed, addressograph systems, mechanical bookkeeping, duplicators, and the like.

On the other hand, Mr. Harman took a dim view of standardization. He said when he left Seattle he bought accident insurance by dropping a coin in a slot at the airport and, as an insurance agent, he does not like this. He said he is afraid any tendency to treat small lines, particularly personal lines, as a bulk proposition, to be handled mechanically and with as little personal attention as possible, will tend toward eliminating the small agent, to whom these accounts are his livelihood. He reminded his audience that, by N.A.I.A. figures, there is a maximum of 1,400 large agents, meaning that the National association represents at least 28,600 small agents. He also denied that complete standardiza-

tion would be in the public interest. Direct writers nearly always advertise that they sell "standard" automobile and other insurance at a price below that coverage involving the service of agents. He also said that no product or service is ever standardized at the highest level available. Emphasizing that "standardization means stagnation", Mr. Harman said that a mediocre level is necessarily the one selected for standardization and that any such movement in insurance will help those now getting by at low levels, but will handcuff progressive agents and companies.

In the discussion, Mr. Harman also attacked employment policies which seek to standardize jobs and put a ceiling on pay for a certain job. Asked from the floor what to do about tardiness, absenteeism, loafing and other faults of employes, Mr. Harman said that in his opinion standardization of jobs and pay promotes much of this trouble. He said that if the right sort of employe is hired in the first place and he or she is made to understand that the more work accomplished and the fewer employes needed, the more he or she will be paid, results will take care of themselves. Of course, the management of the agency must cooperate and make good on these promises, but if there is sincerity on both side, the problem can be beaten.

National Board Has Radio Announcements for Agents

A series of 14 radio spot and chain-break announcements has been put out by National Board to help agents implement the national advertising program of the stock fire insurance.

The announcements are designed to emphasize the vital role which insurance plays in helping the individual, the community and the nation. They warn the public of the dangers of underinsurance and point up the importance of the local agent.

The announcements have been prepared so that the name and address of the sponsoring local agent may be inserted. They vary from 20 to 50 seconds in length and are useful both between radio programs or on agent-sponsored broadcasts.

Copies of the announcements may be had free of charge on request to National Board of Fire Underwriters, 85 John street, New York 38.

Rockwood Has K. C. Affiliate

The Rockwood Co. of Chicago has formed Rockwood Co. of Missouri at Kansas City. The new affiliate has been established to service large accounts in the state.

Officers are Lawrence R. Fisher, president, and N. J. Westerhold, Jr., vice-president and treasurer. Mr. Fisher will remain in Chicago. Before joining the Rockwood Co., he was manager for Travelers Fire at Kansas City.

Although Rockwood Co. of Missouri will not engage in direct production, it will offer engineering and service facilities for Missouri business controlled at Chicago by brokers and agencies.

Kujawa Assistant Secretary

Henry Kujawa has been elected assistant secretary of American Farmers Mutual of the Kemper group, and has become general underwriting manager. For the past 10 months he has been in charge of agency experience review work. He has been with the Kemper group 17 years. J. T. Jennings continues in charge of the automobile underwriting department and W. B. Little in charge of miscellaneous casualty underwriting.

Catastrophe Talks in N. J.

William Murphy, assistant manager of General Adjustment Bureau at New York, will talk Oct. 14-15 to New Jersey agents on catastrophe loss adjustment procedure. On Oct. 14 he will speak at Camden at a luncheon, and the following day he will speak at a luncheon at Atlantic City.

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MARINE NEWS

Form Cargo Bureau to Get Up Cargo Handling Safety Rules

National Cargo Bureau has been formed in New York to develop regulations on safe storing of dangerous cargoes, in injunction with the coast guard. The bureau will make available cargo loading and inspection services in all American ports.

The bureau will shortly absorb the cargo loading inspection services heretofore provided by Board of Underwriters (marine) of New York and the Board of Marine Underwriters of San Francisco.

Bureau members are individuals, including ship operators, representatives of the Coast Guard and maritime administration, and marine insurers.

The bureau grows out of the International Convention for Safety of Life at Sea which was adopted in 1948 and becomes effective Nov. 19, 1952.

L. B. Pate Is President

Officers include Louis B. Pate, vice-president of Seas Shipping Co., president; Owen E. Barker, executive vice-president of Appleton & Cox, first vice-president; Carl E. MacDowell, executive vice-president of Board of Underwriters of New York, executive vice-president and Joseph A. Cerina, secretary of that board, secretary.

Ocean marine insurance men on the board of the bureau are Mr. Barker, W. A. Bonner, Chubb & Son; L. J. Haefner of Fireman's Fund; Harold Jackson, William H. McGee & Co.; W. I. Plitt, Atlantic Mutual; O. C. Torrey, Marine Office of America; T. M. Torrey, North America; Frank E. Zeller, Royal-Liverpool.

Captain Harry J. Parker, chief surveyor of the board of underwriters, will become chief surveyor of the bureau, which will have national headquarters at 90 John street in New York and Pacific Coast district headquarters in San Francisco.

Hahn Joins North British

Robert W. Hahn has become associated with M. M. Pease, U. S. marine manager of the North British group. Mr. Hahn, following his graduation from Dartmouth, went with Talbot, Bird & Co. After navy service he returned to Talbot, Bird, where he has since been with the cargo underwriting department.

Holden to Talk at L. A.

Capt. Edward C. Holden, Jr., vice-president of United States P. & I. Agency of New York, will discuss safety in relation to cargo gear and equipment at the maritime safety panel of the American Merchant Marine conference in Los Angeles, Oct. 8.

Tenn., Ark. Rates Upped

A revision of BI liability rates for a large number of important O L & T classifications effective Sept. 29 in Tennessee and Arkansas is announced by National Bureau of Casualty Underwriters. The rates for all classifications affected by the revision are increased on an average of 28.2% in Tennessee and 21.8% in Arkansas.

Syd T. Archer has joined Rocky Mountain Adjustment Co. of Denver as adjuster. He was formerly with Insurance Claims Service at El Paso, Tex., and before that with Flahide Claims Service of Austin, Tex.

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CHICAGO

CHICAGO BOARD COURSES SET

Three study courses of the Chicago Board, dealing with fire, inland marine, and casualty coverages, will begin Oct. 14, 15 and 16, respectively, it is announced by W. W. Hamilton, manager. These courses have gained wide reputation for excellence over the years, evidenced by the consistently large attendance.

The courses will be held at 11 a.m. to noon, the three middle days of the week through May, 1953. They will be held in the board auditorium.

The course lectures and other materials are put into written form and presented to the student for subsequent reference. Open to everyone, there is no charge for the study courses to board members. Others pay \$10 per course. Instructors are recruited among leaders of the business and they possess national reputations in their particular fields.

Registration can be completed at the board office in the Insurance Exchange building.

NEW YORK

AUTO TALK

William F. Nolan, assistant manager of the automobile department of National Bureau of Casualty Underwriters, will discuss the preferred risk rating plan, in effect in New York, at the Brooklyn Brokers Assn. meeting Thursday.

FINANCING SESSION

At its September meeting Agency Accountants Assn., New York City, discussed premium financing. About 60 attended.

The meeting was opened by John J. Toner of Hall & Henshaw, president. Louis Hamel of U. S. Aviation Underwriters, vice-president, introduced the panel guests, T. F. Glavey, Chase National Bank; G. L. Kirkpatrick, First Bancredit Corp.; J. F. Loughran, Cor-

roon & Reynolds, and J. P. McDowell, Great American group.

Marvin Slater, chairman of the program committee, conducted the question-answer period. Considerable interest centered upon the different methods employed by the various companies, especially as to the effective date of cancellation and whether or not, under the finance contract, an actual cancellation notice to insured and/or mortgagee is required. The next meeting of the association is Oct. 8.

N. Y. BROKERS AGAIN WARNED

Superintendent Bohlinger of New York has reiterated a warning to brokers who fail to file their license renewal application by the Oct. 31 deadline. He declared that the department will discipline brokers who do not submit their applications within the time limit. An investigation earlier this year revealed that more than 45% of the late filers continued to act as brokers without a license, in violation of the law. Approximately 95% of the tardy brokers had no valid reason for filing their application after the Oct. 31 deadline.

TANENBAUM CHANGE

George Hoffman has been appointed secretary of Tanenbaum Co., sprinkler contracts, and Carl Hoffman has been appointed secretary of Tanenbaum-Harber Co. They succeed the late Curt F. J. Hengsbach, who died last spring, secretary and a director of both companies. Tanenbaum-Harber is a general insurance brokerage firm and the Tanenbaum Co. is a fire insurance and automatic sprinkler installing company.

BIG PIER FIRE

Fire destroyed the superstructure of New York Dock Co.'s pier in Brooklyn just below the Brooklyn Heights section, causing an estimated loss of more than \$300,000. The coverage is a part of the blanket insurance carried on New York Dock Co.'s properties. The underpinning probably has been damaged. The pier structure is an old one.

Outside Mutuals under Mich. Non-Assessable Policy Law

LANSING, MICH. — Commissioner Navarre has been advised by the attorney general that he has the right to require that non-Michigan mutuals licensed in this state comply with Michigan's statutory requirements regarding issuance of non-assessable policies.

The opinion, written by Maurice M. Moule, assistant attorney general, holds that the commissioner may decline to relicense mutuals issuing non-assessable policies elsewhere but operating in this state on an assessable basis because of failure to set up surplus required by the Michigan law. Mr. Moule gave the informal opinion that Commissioner Navarre might validly revoke an existing license on the basis of the same principle.

The Michigan department lately has learned that at least one mutual has been writing a non-assessable contract in the state where it is domiciled and elsewhere but has been issuing an assessable policy in Michigan. Michigan policyholders thus might be required to meet indebtedness in other states in event the carrier became unable to discharge its obligations.

This state's minimum requirement for issuance of a non-assessable policy is a \$200,000 surplus, the equivalent of the \$200,000 paid-in capital required of a stock company.

N. Y. Commingling Fines

Superintendent Bohlinger of New York has fined the Donald G. Clark agency and the Boller-Clark agency, of Rochester, \$100 each, and Albert J. Sharron, Jr., operating as Sharron & Hart, Plattsburgh, \$200 for violating sections of the insurance law which require insurance producers to keep their clients' premiums separate from their other funds.

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Warns on Underwriting Limits

(CONTINUED FROM PAGE 13)

tions to tap a better market and sell larger indemnities. There is the temptation to accommodate these men, and it may be necessary to make some exceptions in order to retain them, since it is dangerous to have the agent shopping around to get excess coverage which he controls. The reinsurance market might be useful in these cases, at least until it can be demonstrated that larger amounts can be written in some volume and with satisfactory results.

Mr. Wickman warned, in reference to reinsurance, that the amount the original insurer retains may be placed in greater jeopardy when other coverage with excessive indemnity is added. Nonethe-

less, reinsurers can be helpful in assisting a company that plans to raise its limits, because they are experienced in handling larger amounts and do not want poor risks any more than the original writer.

Wealthy Applicant

Special consideration is often asked for the applicant who, from the agent's point of view, and that of the applicant as well, appears to be entitled to a much larger indemnity than the company's limits. A man may earn \$24,000 a year, or \$2,000 a month. The company has a limit of \$300 a month and is willing to participate in coverage only when the

total amount in force is less than \$750. Mr. Wickman said it is important to find out if the income is all earned and not partly derived from investments or other sources that would continue regardless of the prospect's activity. For instance, if dividends or interest amount to a quarter of his income, only \$1,500 a month would be affected by his disability. This is not an uncommon situation and must be watched when a higher income case is presented. The \$750 limit represents 50% of the insured's earned income after his dividends are subtracted, and even that seems insufficient to the prospect. Mr. Wickman pointed out that the insured actually does not enjoy all of his income, since he pays a sizable tax on it, and in this case probably his spendable income is less than \$1,200 a month. If his earned income is cut off he will receive about \$400 a month net on his investment income and \$750 tax free from his insurance, making a total of \$1,150, or just about the same as when he was on the job. When state income tax, social security and other taxes are included, the chances are he would be better off financially during his disability than when working.

Under the present income tax scale the underwriter cannot afford to overlook the shrinkage in income as a result of taxes when granting A. & H. coverage.

Graded Scale Suggested

For years the business has considered 75% to 80% of income as a safe limit. Mr. Wickman said he can go along with that rule in the lower incomes up to \$2,500 or \$3,000 a year, but beyond that income tax deductions reduce the net income to the point where 75% of the gross would be offering more cash indemnity than the insured could collect in salary. He suggested a sort of sliding scale which would reduce the percentage of indemnity permitted as the income increases. A rule which seems to work out satisfactorily and is easy to remember, permits instant calculation, is the "50-50" limit — 50% of monthly income plus \$50. Thus an income of \$200 would be subject to a limit of \$150 or 75%. At \$400 it is \$250, 66 2/3%; \$600 would be \$350 or 57%, and \$1,000 would have a limit of \$550 or 55%. Considering the take-home pay feature on the \$1,000 salary, the insured would actually be getting coverage for about 72% of his real income.

The main object is to supply the prospect with the amount he needs, and possibly not what he wants. Mr. Wickman commented that the companies will on occasion have to assume the role of "Mother Knows Best," but they cannot permit amounts of coverage that might have a tendency to encourage malingering or fraudulent claims.

Remarking on the tabulation of replies from questionnaires sent to the conference companies on their maximum monthly indemnity on A. & H. for retained business, he noted that of 90 replies, 23 had \$200 as a maximum, 27 had \$300, and 22 had \$400. The rest were spread in amounts from \$50 to \$600.

International Insurance and Reinsurance Reviewed

John F. Johnston, president of Oakeley, Vaughan & Johnston, New York, outlined problems of international insurance and reinsurance in a talk before the September luncheon meeting of the insurance committee of the Young Men's Board of Trade. The board has several hundred young men of New York as members. The insurance committee itself has 70 members. Edward Rock, with Adams & Porter at 15 William street, is chairman and L. R. Beety of Lethbridge-Owens & Phillips, Inc., is secretary. Robert Mehrtorf, McDaniel & Co., Inc., is chairman of the public relations committee. This organization is giving aid particularly to promotion of traffic safety, to pushing for compulsory inspection of automobiles in New York state and to numerous civic enter-

prises. The next meeting is scheduled Oct. 9.

Mr. Johnston described the operations of the reinsurance broker. He said currency control authorities now undertake to supply dollars to carriers where there is a shortage of them, whenever dollar losses exceed the carrier's dollar reserves from premium collections and security investments. While this has been an important factor in easing reinsurance operations, the overall picture is very tight because the American reinsurance market cannot take its place in the international market with full force as long as inflation and excessive losses from liability lines are causing underwriting losses. Thus 10 years ago at least 70% of liability losses were taken up by the primary coverages while today the excess carriers often contribute as much to the loss as the primary carrier.

Auto Problems Told

In automobile insurance, difficulties have been greatly aggravated by failure of the rating formula to provide premiums corresponding to the rocketing loss ratio and by the failure of claim reserves set up in 1948 to meet the settlements being negotiated on those claims in 1952 under inflationary pressures. He said that reinsurers conclude that the major part of liability losses come as long as five years after the accident occurred. That is a heavy deterrent to reinsurance acceptance in the automobile field.

In his talk, Mr. Johnston was assisted by W. D. Elliott, former deputy underwriter of London Lloyds, now with Oakeley, Vaughan & Johnston, supervising binding operations in their Baltimore office.

How Long to Make An Underwriter?

From Edward C. Bardwell, 5670 Clemen-son Street, Los Angeles.

The humorous opening of the "Underwriter's Place and Future in the Fire Business" in your Sept. 4 edition followed up with the serious presentation of the subject certainly is timely.

The entire insurance business seems to have drifted toward cutting down on expenses to the extent of hiring down to a price instead of up to a standard. Along with this seems to be the attitude that efficiency requires loading what skilled technicians there are with so much detail as to nullify the effectiveness of the very skill for which they are employed.

It seems that it should be only elemental to agree with your premise that individual company underwriting "is the key to profits in fire insurance." Also, as you claim, real underwriting requires a lot more than just an abstract knowledge of some rules, regulations and forms.

15 Years to Make Underwriter

The conception in 1929 that it took 15 years to make a fire underwriter seemed ridiculous to me then. I had had a few summers work as a map clerk and a couple years with National Inspection Co., so knew all about underwriting—I thought. I did have an excellent foundation and, after some five years as a company engineer, I was fully cognizant of what were the physical and economic components of a business concern that combined to produce a fire risk of the varying degrees of underwriting desirability.

Then another five years as special agent—with plenty of night study—I learned what coverages were provided in the reams of printed material in rule books and forms. Also I learned a lot of "the tricks of the trade" from other fieldmen and agents and what agents wanted and expected from companies.

A few more years in a home office and I was a fire underwriter and, by keeping abreast of economic and industrial evolution, I still am.

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WANT TO SELL

My interest representing control of Mutual Fire Company located in middle west with \$170,000 premiums in force. Address N-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Old established local agency needs physical damage carrier due to increased volume. We have no finance connections whatever. P. O. Box 433, Dayton, Ohio.

OHIO FIELD MAN

Due to the company's retirement plan we need an additional experienced field man for Ohio. Inquiries confidential of course. Contact Alfred S. Snow, State Agent, Camden Fire Insurance Association, 46 East Broad Street, Columbus, Ohio.

AVAILABLE

Casualty and Surety Executive desires to relocate in East. Presently in charge Casualty and Surety Division. Pacific Department Major Group—22 years experience all phases Company operation both direct and reinsurance. Aggressive—Age 44—Address N-45, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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FIRE AND CASUALTY FIELD MAN — WISCONSIN

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WANTED

Man qualified to direct multiple line agency force in 3 states—Indiana, Kentucky — Illinois. Indiana experience preferred. Give background and references. Address N-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Western Department of prominent fire insurance company with established agency plant, wants man with experience. This is an excellent opportunity with salary open. Your reply will be confidential. Address N-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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W.U.A. and I.E.A. Hold Sessions

(CONTINUED FROM PAGE 1)

W. U. A. headquarters were E. H. Born, Walter Dithmer, Kenneth Ogilvie, C. H. Metzner and Miss Mable Laycock. Fred Doremus, manager of E. U. A., was a guest.

Discuss Revamping of W. A. B.

Overshadowing interest was in the continuing discussion of ideas for re-



M. E. Peterson



Ben M. Butler

vamping the setup of Western Actuarial Bureau. The plan to bring W. A. B. into tandem with W. U. A., so to say, and to convert the middle western rating and trade association operations into somewhat the pattern that is found in the east and southeast, has many warm supporters, but there are some powerful forces that are firmly opposed and the session Tuesday of the committee on order of business was marked by strong debates. Kenneth Hatch, executive vice-president of Fire Association, was unable to preside as chairman of that committee due to the death of Frank H. Thomas, president of Fire Association. C. W. Ohlsen of Sun acted in his stead.

Ben Butler's Talk Featured

A custom at W. U. A. conventions in recent years has been the appearance of the head man from some allied institution to tell about the activities, objectives and problems of his organization. At this session Ben M. Butler, general manager of Western Adjustment, was featured and his well-organized paper was closely followed.

George Carter, head of Detroit Insurance Agency, and traditional leader of the company-agency conferences in the middle west, was here with a non-insurance group, but he mingled with his friends in the insurance company ranks.

The social highlight was the cocktail gathering which was given Monday by Uniform Printing & Supply division of Courier-Citizen Co.

The new film, "I Take Risks," that was developed by the public relations committee under the direction of Walter Dithmer, was shown Tuesday and was greeted with enthusiasm as a worthy successor to the first Dithmer production titled "Meet the Policyman."

Insurance to Value Stressed

Mr. Peterson in his presidential address emphasized the necessity of unceasing efforts to obtain adequate insurance to value. It is clear, he said, that a tendency to depress average percentage to value forces rates upward.

Mr. Peterson gave some data on the use of annual premium payment plans during the year since these were the subject of general filing.

Generally speaking, the annual renewal plan is favored over the installment plan by a ratio of almost four to one. Together, these plans accounted for approximately 32½% of all entries, and produced about 12% of the total premium volume. "Entry" refers to either a cash policy or an original deferred payment policy or an endorsement of annual payment.

In Oklahoma, over 60% of the entries arise from deferred payment policies, accounting for 33% of the total premiums. Tennessee figures are 62% and 42% respectively.

To what extent these percentages will vary as the use of these plans is extended is difficult to guess. However, introduction of installment writing has distorted premium comparisons. In the past, entries under \$25 have represented a sizable proportion of all transactions and a modest share of the premium volume. But the payment plans have so increased the number of entries that 60% of the fire and 80% of the extended coverage are for amounts less than \$25. Yet they only produce about 16% of the total fire premiums and 55% of the total extended coverage premiums.

The conclusion is that detail work is increasing out of all proportion to income. This trend must be reversed, but no solution to the problem seems in sight.



JOHN R. COONEY

Oil Insurance Assn. had a meeting Saturday and this was attended by the eastern contingent. Clarence Comegys, the manager, gave a review.

On Monday a session of Subscribers Actuarial Committee was sandwiched in, with E. A. Henne, America Fore, reporting.

Underwriters Grain Assn. had a meeting Tuesday afternoon. Manager C. E. Harbin was on hand.

There was a meeting Monday of the executive committee of Factory Association.

Wisconsin Fire Prevention Assn. inspected Oconomowoc in cooperation with the Junior Chamber of Commerce, city officials, fire department and Boy Scouts. A crew of 26 field men and engineers participated.



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EDITORIAL COMMENT

The Tolerated Epidemic

If the country were suddenly to become subject to an epidemic disease that killed 37,300 and laid low 1,300,000 in a year's time, the utmost excitement, fear and general apprehension would ensue. Doctors, scientists and manufacturers of materia medica would drop practically everything else in order to effect a cure, establish control and start the disease on its way out. Governors would issue proclamations daily, newspapers would be full of the subject, the President of the United States and officials everywhere would be bombarded with requests to do something and would in turn be doing a great deal.

Yet that is exactly the kind and size of epidemic that has struck the country, that is hitting it every year, in the form of traffic fatalities and injuries. Certainly there is a great deal being done to combat the "disease." What is being done is having its effect. To quote a statistic, in 1927 there were 1,042 traffic fatalities in New Jersey, a year in which there were 814,593 drivers licensed. In 1951, these figures were 763 and 1,986,458. These figures come from the annual report of the director of motor vehicles in New Jersey, a corridor state, which has, perhaps in miniature geographically, the same problem as all states in the traffic field—metropolitan, parkway system, country roads.

Another figure in the report that is impressive is that the inspector force of the bureau examined 212,889 applicants for driver licenses during the year. This is against a total at year end of 1,986,458. It is true that 45,411 of the applicants in 1951 were rejected, but the figure applying is the impressive one.

It serves to point up the fact that the problem of traffic accidents is growing with terrifying rapidity, and while some headway is being made to control the epidemic, particularly in New Jersey, which is tough on violators, this has been done by what amounts to very herculean effort. In 1927 in New Jersey there were 712,402 motor vehicle registrations; in 1951 these were 1,741,-

928. There are vastly more cars, there are vastly more drivers, everywhere. In 1951 44.2% of those passing tests during the year were women. The number of persons in a family who drive is steadily increasing.

Because it is not sudden, unfamiliar, and therefore sharply terrifying, but on the contrary has spread gradually, if pervasively into every crack and cranny of the country, the auto accident epidemic has built a toleration which is astonishing when it is set up against any other catastrophe that could happen to a country.

The point here is that the problem is absolutely enormous, it continues to grow, though there may be a rise and fall in the dollar cost with the economy, and the American people are going to have to be courageous, persistent, and extremely vigorous in order to bring the size of it down to tolerable proportions.

Once the size and complexity of the matter is discerned, what is being done is set in its proper proportion and no matter what it is—and in some spots it is very good—it is still meager; for example, driver education, high school and adult. This seems appropriate to mention because while the traffic problem belongs to everybody, of all those not directly concerned with traffic, in an enforcement or engineering way, the insurance business unquestionably has most at stake.

People are often apt to take judgment from other people. If part of an audience begins to laugh, the whole audience is apt to end up laughing, provided the stimulus to risibility is at all reasonably good. The same thing happens with panic. The same thing is true with the traffic problem. If enough people become concerned about it, then a great deal more than has been done so far, much as that is, will get done—and it needs to be done.

It is to be hoped that those agents who have done effective accident safety work, especially in the field of education, will set fire to every last one of the other agents in the country.

agency since 1940, has been named Democratic state chairman.

William N. N. Fuller, adjuster of Travelers at Louisville, was injured and his wife was killed when a tire on their car blew near Albuquerque, N. M. They were on their way back from a vacation trip to California.

Robert W. Leedy, state agent of United States Fire, Columbus, who was recently elected president of Ohio Fire Underwriters Assn. at its meeting at Cincinnati, entered the insurance business in 1926 with Ohio Inspection Bureau. He became a special agent for London & Lancashire in 1935 and assumed his present position in 1941. He has served as chairman of the executive committee and vice-president of the field club and is now secretary-treasurer of Ohio Fire Prevention Assn.



Robert W. Leedy

C. V. Starr of American International Underwriters left this week for a trip to Hong Kong.

John A. Diemand, president of North American companies, has been reelected a trustee of Temple University.

Maurice S. Tabor, Buffalo local agent and general agent of Travelers, has been appointed treasurer of the 1952 Community Chest appeal in Buffalo and Erie county.

Robert S. Davis, investment officer of St. Paul Fire & Marine, will be a lecturer in fundamentals of investment banking in evening classes at University of Minnesota starting Sept. 30.

William A. Espy, superintendent of New York Fire Patrol, has been placed on the inactive list. He started with the patrol in 1912 and had been superintendent since 1939 until earlier this year when he was named consultant to Chief Scanlon.

Lewis M. Terry, Utah insurance commissioner, was unable to take part in the convention of Utah Assn. of Insurance Agents at Salt Lake City because of illness.

J. E. Greenwood of Warren, O., was called home from the convention of National Assn. of Insurance Agents in Cleveland by the death of his father-in-law.

Ray F. Sesterhenn, 48, special agent in the survey department of Hartford Fire and Citizens, was in critical condition this week in St. Lawrence hospital at Lansing, Mich., suffering from what officers said was a self-inflicted stab wound. Mr. Sesterhenn was found in his East Lansing office and rushed to the hospital by East Lansing police.

Joe C. Haldiman, who is Democratic candidate for governor in Arizona, has one of the oldest and largest insurance agencies in Arizona, and has operated his own agency at Phoenix since 1917, known as Haldiman Brothers. He has served three terms in the state senate. He has been chairman of the U. S. savings defense staff in Maricopa county since 1941, and has served as general chairman of Maricopa County Red Cross drive and general chairman of Phoenix Community Chest drive.

Mr. Haldiman heads the agency, which

is strictly a family affair. V. M. Haldiman, brother of Joe, is the sparkplug of the office, Joe Haldiman's two sons, John and Joe, Jr., are active participants, as well as a son-in-law, Fred Berry. The name was changed from Guardian Insurance Agency some years ago. It is one of the largest general agencies of Hartford Accident in the Pacific Coast area.

H. A. Clark, vice-president and western manager of Firemen's, had to forego his trip to the W.U.A. meeting at White Sulphur Springs, W. Va., when he tripped over an object in the railroad station at Cincinnati and strained a ligament in his leg. Mr. Clark and his wife and daughter returned to Chicago.

DEATHS

Fire Association President Dies

FRANK H. THOMAS, president of Fire Association and Reliance of Philadelphia, died of a heart attack Sept. 24 while dining with executives of the companies on a routine business visit to San Francisco. His age was 53. Mr. Thomas had left Philadelphia accompanied by his wife and daughter for a tour of the Pacific Coast and Rocky Mountain offices of Fire Association.



Frank H. Thomas

This was his first business trip since August, 1951, when he had suffered a previous heart attack. He got back to work on a limited basis after three months and this past summer went to Europe. Since his return about Aug. 1 he had been carrying on his activities full scale.

Mr. Thomas graduated from Cornell in 1921. He started his business career in manufacturing as an executive in charge of selling and foreign development, and later was with Equitable Trust Co. of Wilmington, Del., as investment vice-president. For a time he was vice-president of Electric Hose & Rubber Co. of Wilmington before joining Fire Association in 1936 as financial secretary. In 1939 he was elected vice-president, and in 1944 he became president and director.

Mr. Thomas had served as a member of the executive committee of National Board and as chairman of the public relations committee. He was a governor and fellow of Insurance Institute of America, a trustee of American & Foreign Insurance Assn., a director of Insurance Federation of Pennsylvania, a past director and chairman of the insurance committee of the U. S. Chamber of Commerce. In addition, he served as a director of Electric Bond & Share Co. of New York, and of Electric Hose & Rubber Co. of Wilmington.

Mr. Thomas died while making a speech to 19 special agents and department heads of the Pacific department. He was describing some coverages when he suddenly stopped and the audience simply thought he was trying

PERSONAL SIDE OF THE BUSINESS

E. V. Mills, comptroller of Firemen's Fund, who is on a five-week trip to the principal offices of his company, went to White Sulphur Springs this week to confer with **E. D. Lawson**, vice-president and western manager, who was attending the W.U.A. convention there. Mr. Mills, who was accompanied by Mrs. Mills, goes on to New York and Boston. Mr. Lawson was accompanied

at White Sulphur by Mrs. Lawson and their daughter Jane. They made the trip by motor.

Peter J. Berry, president of Security of New Haven, had with him at the W.U.A. meeting his son Bernard, who just recently graduated at Georgetown.

Mayor **Romeo St. Laurent** of Somersworth, N. H., who has operated a local

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MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-2706. E. E. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

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F. WILLIAM NORGARD

to collect his ideas. But this silence seemed too long and E. E. Erickson, Pacific Coast manager, who was sitting alongside Mr. Thomas, became concerned and looked up to note that Mr. Thomas was leaning back in his chair and very pale. As Erickson started to rise to ask if anything was the matter Mr. Thomas slumped to the floor.

F. WILLIAM NORGARD, 52, pioneer Yakima, Wash., local agent, died in a Portland, Ore., hospital of a heart

attack. He was taken ill while visiting relatives at Condon, Ore. He was past president of Yakima County Insurance Agents Assn. and of the Washington association, serving in the latter post in 1946-7.

JOHN J. MCGINTY, Michigan deputy workmen's compensation commissioner, was instantly killed in a traffic accident near Durand, Mich. Fellow deputies of the commission served as pallbearers at the funeral at Bay City. Mr. McGinty was long active in Democratic political circles and once was candidate for governor.

CHARLES E. MCFARLAND, 65, retired local agent of Tulsa, died of a heart attack. He was a partner in the Pearce, Porter & Martin agency for 24 years before retiring recently due to ill health.

ALEXANDER H. CATHCART, president of Cathcart & Maxfield, pioneer St. Paul local agency, died there.

BENJAMIN WEIL, 71, veteran Milwaukee local agent, died at his home there of a heart attack. As a young man he joined his father, founder of the agency, and succeeded him as head of the firm. Last June he turned over the presidency to Matthew P. Zendzian, for four years head of the insurance department, and continued as vice-president. A son, Elson, formerly with the agency, is a New York City broker.

DAVIS WEINSTOCK, 76, a consultant of fire losses, died at New York after a long illness. He served as an expert for New York Board of Underwriters' loss committee and acted as consultant for many fire companies. He specialized in textile and clothing losses.

DANIEL A. PALMER, vice-president of Hoey, Ellison & Frost, New York, died at his home. Before joining the Hoey, Ellison & Frost organization in 1934, Mr. Palmer was for many years with Crum & Forster as manager of the Brooklyn and midtown offices.

CLARA HELEN PHILLIP, wife of Philip J. Phillip, head of Detroit local agency of that name, and who was secretary of that agency, died. She had been with the agency when it was originally opened in 1938 and was elected secretary when it was incorporated in 1945.

J. L. ALBERT MALO, 67, manager of Home in the province of Quebec, died at Montreal. He had been on leave of absence since 1949. He had been with Home for 31 years.

FRANK SCOTT, 39, partner in the Walters & Scott agency, Pikeville, Ky., who was Republican chairman for Pike county, died of an infection caused by an accidental gunshot wound.

GUS S. KAUFMAN, 74, a pioneer local agent of Weslaco, Tex., died.

Texas W.C. Assigned Risk Plan Proposed

AUSTIN — Establishment of an assigned risk plan for workmen's compensation risks in Texas was discussed at an informal conference held on invitation of Garland A. Smith, casualty commissioner, who earlier had sent out a tentative draft of the plan for company study.

Several suggested amendments were offered by conferees in an effort to make the plan more acceptable to insurers and producers. Pending decision on the amendments, it was announced that 132 companies, which write 74% of the compensation premiums, had already agreed to become parties to the plan, which is not to become effective until 90% of the premium volume is represented by signatory companies.

The plan was devised, it was said, primarily because the commissioners and industrial accident board have been "besieged" by employers who were unable to obtain coverage. It will continue in operation, if adopted, only until June 1, 1953, by which time it is hoped that the legislature will provide a program of relief for both carriers and employers.

Rates to Be Reviewed

In the meantime, rates are to be reviewed, probably at a hearing in October, but it is generally felt that rate increases alone will not be the complete answer.

The plan as drawn consists of 13 rules constituting an agreement with the casualty commissioner, who will administer it. Before a risk entitled to coverage can come under the plan it must show that its application has been rejected by three carriers. The risk would then be assigned to one of the subscribing carriers in proportion to its W.C. premiums and its servicing facilities. The company would be given 15 days to investigate and determine premium charges. Certain conditions also are set forth dealing with rights of cancellation and reassignments.

Charles H. Eichhorn, Columbus, past president of Ohio Assn. of Insurance Agents, addressed the Zanesville Kiwanis Club on "Legalized Murder."

Use Goat to Discourage Lost-Time Accidents

A goat named "Lost Time Accidents" is being used effectively in a safety campaign at Fischer Lime & Cement Co., Memphis. Safety Director Charles E. Nichols, who has to be keeper of the goat, smell and all, when it is not in the keeping of some department of the plant where there has been a "lost-time" accident, describes the plan as amazingly successful. Only two departments have had to "entertain" "Lost Time Accident" in the past six months. A department guilty of an accident has to feed and care for the animal during work hours for three weeks, or more if the infraction is serious.

Proposes 'Brokers Exchange' to Handle Auto Business

A "brokers exchange" to facilitate the placing of automobile insurance in Massachusetts has been proposed by D. Hardy Drewrey, Boston broker.

Privileges of the exchange would be available only to agents and brokers, and the brokerage pool would be made up of all stock and mutual companies doing business in the state. The exchange would be supervised by a board of governors, elected either by members or appointed by the insurance department. Members would not be required

to place their business exclusively with the exchange, and a brokerage commission would be paid.

The business of the pool would be apportioned among the companies according to their ability to handle and according to their financial resources, as determined by the insurance department.

Undesirable business would be placed through the assigned risk plan.

Robert W. Wherry, professor of insurance at Penn State College, addressed the annual meeting of Potter-Tioga (N. Y.) Assn. of Insurance Agents at Coudersport.

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be the winner...
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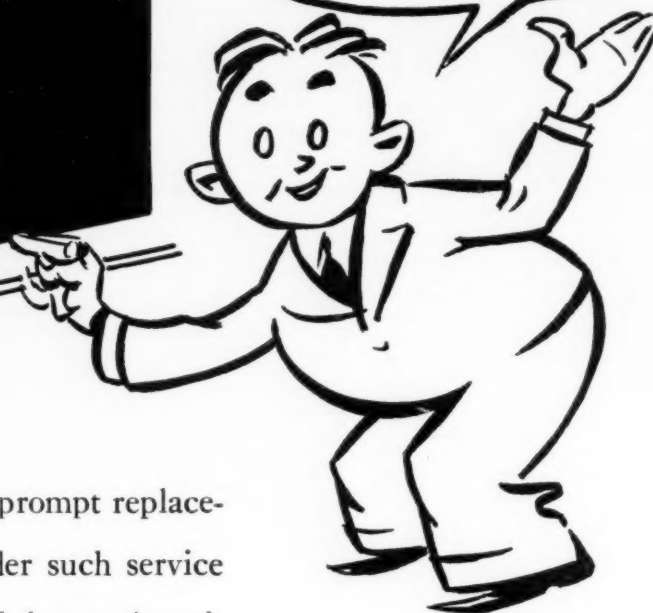
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Plan to Insure Loss Caused by Uninsured Motorist Suggested

Additional Coverage on Standard Policy, at Extra Premium, Proposed

An idea for insuring the loss and damage caused by uninsured motorists without resorting to an unsatisfied judgment fund or compulsory has now reached enough currency to be a subject of discussion among executives and underwriters in the east and midwest, independent and bureau.

There would be added to the standard automobile policy, at an extra premium, coverage of insured who suffers loss or injury in an accident involving an uninsured motorist. The proposal apparently has a considerable amount of appeal to executives and underwriters because of its simplicity and because it is an insurance answer to an insurance situation.

As a practical matter, according to those who are discussing it, it would likely work out in a way closer to the medical payments than to the liability pattern. The cost might tend to be less than if the same accidents were liquidated by the liability route.

All Insured Would Be Protected

The trend of thinking is that the coverage would have to be a part of the standard policy if it is to meet the challenge of such proposals as U.J.F. and compulsory. In this way all insured would be protected. Only the negligent uninsured would not be.

It is pointed out that the uninsured tend to be the financially irresponsible and that under financial responsibility laws many stay on the road because no one will proceed against them and secure judgment. Thus they do not go into financial responsibility and continue to drive.

If, however, the insurer had a subrogation interest, with its claim and legal staffs equipped to do it, it might proceed against the uninsured who has caused an accident and secure a judgment. This would put the uninsured in F.R. and if he could not satisfy the judgment, the F.R. law would put him off the road, a goal that is regarded as quite desirable by the insurance and general communities.

G. F. Richardson Teams Up with Belt & Ricker

G. F. Richardson has become a partner in the Chicago insurance consulting firm that is now to be known as Belt, Ricker & Richardson.

Mr. Richardson until last March was general manager of the midwestern division at Chicago of Atlantic Mutual. He was not up to par physically and since then he has been recovering his health. Previously he had established the Pittsburgh and Detroit offices of Atlantic Mutual, and prior to that was with North America in the marine department at Detroit. His brother is J. Stewart Richardson, Chicago manager of Standard Accident.

James M. Thompson has joined the L. K. Forrester agency of Shreveport, La., as manager.

Complete Agenda for N.A.I.I. Rally at Chicago

National Assn. of Independent Insurers will hold its annual meeting at the Conrad Hilton hotel, Chicago, Nov. 20-21. The program is highlighted by a list of dignitaries including three insurance commissioners.

W. C. Searl, secretary of Auto-Owners and president of N.A.I.I., will preside at the opening session Nov. 20. Director J. Edward Day of Illinois will give the address of welcome, and the response will be by C. L. Morris, vice-president of Illinois National Casualty and vice-president of N.A.I.I. Mr. Searl will give his presidential address and Vestal Lemmon, will give his report as manager.

There will be an address by Commissioner Wade O. Martin, Jr., of Louisiana, president of N.A.I.C., to conclude the first morning's program.

In the afternoon, William C. Butler, manager of Pearl at Toronto, and president of All Canada Insurance Federation, will give an address. This will be followed by talks by Commissioner Spalding Southall of Kentucky, on "Insurance in Transition—1952"; Ned Dearborn, president of National Safety Council, on "Opportunities and Responsibilities," and Arthur J. Bidwell, chairman of the Illinois senate insurance committee, on "Preservation of State Regulation of Insurance." The banquet is scheduled for that evening.

Stuart Streck, research director of Wisconsin legislative interim committee on motor vehicle accidents, will open the Friday session with a talk on "Can the Motor Vehicle Accident Problem be Solved Through Legislation?" There will be a discussion of this address and then the members will have their business meeting, election, committee reports, etc. The convention will close with a luncheon at which Dr. Ralph H. Blanchard, insurance professor at Columbia university, will talk on "Losses, Expenses and Profits."

Big Increase in Assigned Risk Applications in Cal.

California assigned risk plan has filed its report for the year ending June 30, showing 29,767 completed applications received, as contrasted with 10,611 for the preceding year.

Commenting on the figures, Commissioner Maloney points out that the figures show large increases in the percentage of assignments which involve minors, Negroes and servicemen. "In general the increased use of the assigned risk plan coincides with the unfavorable loss ratios which insurers have been experiencing during the past year. It likewise coincides with numerous complaints received by the department from members of the public that they are experiencing difficulty in securing automobile and automobile liability insurance, and similar complaints in connection with the cancellation of existing insurance."

Teller Gets \$31,000

A \$31,119 embezzlement at the Moultrie (Ga.) Banking Co. was uncovered last week. It had been accomplished by a teller who had methodically taken about \$100 a month for 20 years, using the account of a large customer to conceal the shortage. The money went to augment his living expenses.

The teller had been with the bank for 25 years, and the bank vice-president said he had lived "above reproach and suspicions" and that regardless of his actions, "he's our friend right on."

New Auto Rates in Ala., Ark., Tenn.

New automobile liability insurance rates as promulgated by the National Bureau of Casualty Underwriters, were made effective this week in Alabama, Arkansas and Tennessee.

In Alabama, the revisions for private passenger cars result in rate increases from a minimum of \$7 to a maximum of \$16 for B.I. and P.D.L. combined. Rates for commercial cars are unchanged. In Birmingham, the new rate for class 1 is now \$47, as compared with \$38. For class 2, it is \$77 as compared with \$62. In Montgomery and suburbs, the class 1 rate increases from \$31 to \$44, and class 2 from \$52 to \$68. The remainder of the state has a lesser increase, it being \$31 to \$38 on class 1, and \$51 to \$62 on class 2.

Slight Increase in Ark.

The Arkansas rates are only increased \$1 to a maximum of \$4 for B.I. and P.D.L., while for commercial cars, the increases on the combined coverage range from \$2 to \$4, except in the territory comprising Fort Smith and all of Pulaski county including Little Rock where the rate increases for most commercial cars range from a minimum of \$32 to a maximum of \$36.

Tennessee combined B.I. and P.D.L. rates are increased \$5 to \$29 for private passenger cars, and for commercial cars the increases are from \$4 to \$17, except in Chattanooga and Hamilton county where the rates on commercial cars are unchanged. In Knoxville the class 1 rate goes from \$27 to \$36, class 2 from \$32 to \$42, and class 3 from \$50 to \$62. In Nashville, the rates on class 1 go from \$43 to \$51, class 2, \$61-\$80, class 3, \$59-\$69.

In Chattanooga the change is: Class 1, \$46-\$60, class 2, \$65-\$94, class 3, \$63-\$82. The Knoxville changes are, Class 1, \$43-\$51, class 2 \$59-\$80, class 3 \$59-\$70.

New Jersey Sets Up Clinic for Driver Behavior Study

Driver behavior and its relation to traffic safety is the subject of a two-year study being inaugurated by New Jersey with the opening at Trenton of a unique driver clinic for the testing of traffic violators and accident repeaters. It will be conducted by William J. Dearden, acting state motor vehicle director, and a special staff of motor vehicle inspectors.

"The New Jersey clinic," Attorney General Parsons explained, "will operate for two years, at the end of which the state will be in possession of facts and figures that will place it far ahead of the rest of the country in the subject of driver behavior and its relation to traffic accidents."

Give Corrective Advice

"At the same time, the clinic will be giving immediate corrective advice to thousands of motorists submitting to the tests who, upon being made aware of their limitations and taught the necessary compensations for their limitations, should instinctively develop into safer drivers."

Examinations will include a psychological test to help detect persons with improper attitudes toward safety and traffic regulations. Also included will be tests of vision, depth perception, glare recovery, judgment and reaction time.

Such drivers as accident repeaters, second offenders and those called up under the state's point system will be required to submit to clinical examinations. Parsons said the clinic will be able to examine up to 20 persons daily in a "dignified, unhurried manner."

A. & H. Bureau Elects Hauschild New Chairman

Impressive Program Is Run Off at Annual Meet at Asheville, N. C.

E. A. Hauschild, Security Mutual Life, was elected chairman of the governing committee of Bureau of A. & H. Underwriters at the annual meeting at Asheville, N. C., to succeed Neil J. Brown, Hartford Accident.

The 12 companies elected to the governing committee and their representatives are: Aetna Life, Logan Biddle; American Health, W. deV. Washburn; Connecticut General Life, Robert K. Metcalf; Continental Casualty, A. B. Hvale; Equitable Society, J. Henry Smith II; Fidelity & Casualty, W. L. Bates; Indemnity of North America, W. E. Kipp; Maryland Casualty, F. L. Templeman; New York Life, Laurence B. Soper; Standard Accident, Paul E. Laymon; Travelers, Halsted E. Redfield, and Union Mutual Life, Alfred W. Perkins.

In his remarks at the closing session, J. F. Follmann, Jr., bureau general manager, reported that 19 companies had joined the bureau during the year. The combined A. & H. premium volume of the bureau companies at the end of 1951 exceeded \$610 million.

Impressive Program

The program was an impressive one, consisting of 12 talks or panel discussions covering a wide range of A. & H. subjects.

Waldo C. Cheek, North Carolina commissioner, and the first speaker on the program, reviewed some of the problems of regulating the A. & H. insurance business. North Carolina is the only state having a law that provides for the regulation of A. & H. policy forms, the bill having as one of its provisions that the commissioner may within 30 days after filing of the form disapprove it if "the benefits provided therein are unreasonable in relation to the premium charged." Mr. Cheek asked how the commissioner is supposed to know when the benefits are unreasonable in relation to the premium when there is no general agreement as to what is a reasonable loss ratio and there is such a large number of forms of varying types of A. & H. that even if the ratio were ascertained for one form, it could not be applied to the others.

Charges "Poor Job" Done

Nearly every A. & H. policyholder feels cheated if he does not get back in benefits at least as much as he has paid in premiums, Mr. Cheek remarked, and this is because the agents have done a very poor job. "We have done this bad job because we are divided in our outlook, we are divided in our efforts and we are divided in our approach," he said. Instead of educating the public to the merits of the insurance, he charged the agents have caused the

(CONTINUED ON PAGE 37)



E. A. Hauschild

COUNTRYWIDE FIDELITY AND SURETY EXPERIENCE FOR 1947-1951

Fidelity Insurance Aggregates

Stock Companies

	Net premiums written	Exp. earned	Losses incurred to earned	Exp. to earned	Net gain exp. to earned	Claim to earned	Comm. to written	Other exp. to earned	General exp. to earned	Taxes & fees to written
1947	\$35,006,287	\$39,273,338	23.9	36.8	10.3	8.5	30.3*	16.7	14.8	3.2
1948	56,148,363	41,154,261	31.0	53.4	15.6	9.0	21.7*	16.7	16.7	3.0
1949	42,495,675	43,771,828	34.0	53.5	7.5	10.5	16.8	12.9	15.1	3.2
1950	41,296,992	45,004,929	29.0	59.2	11.8	9.9	18.1	12.8	15.0	3.4
1951	63,388,961	49,019,884	35.8	60.1	4.1	10.9	16.8	13.6	15.7	3.1

Mutual Companies

1947	\$1,585,092	\$1,421,746	44.6	34.0	21.4	7.9	11.8*	12.1	2.2	
1948	1,875,633	1,972,667	40.2	36.7	23.1	9.9	10.8*	13.6	2.4	
1949	2,160,650	1,828,645	49.2	46.7	4.3	14.3	9.9	14.1	12.2	2.2
1950	2,299,052	2,087,546	46.7	40.9	12.4	9.1	5.3	12.4	12.1	2.0
1951	2,998,333	2,485,981	56.2	42.0	1.8	8.4	6.8	10.6	14.6	1.6

Reinsurance Companies

1947	\$5,063,681	\$4,652,275	34.0	49.8	16.2	2.4	43.3*	3.1	1.0	
1948	7,432,451	5,498,727	36.1	48.6	15.3	1.7	42.5*	3.3	1.1	
1949	6,053,152	6,662,504	43.4	50.5	6.1	3.0	44.1	1.2	1.8	
1950	5,016,262	6,181,488	32.3	51.9	15.8	2.3	46.4	1.2	1.6	
1951	7,005,884	6,062,173	45.6	54.2	2.2	3.8	47.0	1.3	1.9	

Surety Insurance Aggregates

Stock Companies

1947	\$53,494,786	\$46,008,296	7.8	61.2	31.0	6.4	35.4*	16.4	3.0	
1948	67,445,806	\$7,079,632	13.1	56.1	30.8	4.7	33.1*	15.3	3.0	
1949	75,910,987	68,711,947	15.3	61.0	23.7	4.8	24.8	14.1	14.2	3.1
1950	89,738,012	80,636,806	15.8	60.0	24.2	4.1	25.5	13.0	13.6	2.2
1951	96,148,503	89,598,774	28.5	57.4	14.1	4.5	24.6	11.8	13.2	3.1

Mutual Companies

1947	\$266,738	\$212,558	68.9	36.6	-3.5	4.6	19.4*	10.6	2.0	
1948	431,910	322,821	112.6	47.0	-59.6	3.5	20.6*	7.4	.5	
1949	400,933	432,996	95.4	47.4	-42.8	3.8	35.1	4.4	3.2	.9
1950	317,767	357,567	-1.9	51.8	50.1	7.2	33.0	3.9	4.6	1.1
1951	579,891	517,793	20.3	44.6	35.1	1.6	30.3	8.0	6.9	1.7

Reinsurance Companies

1947	\$6,312,250	\$4,997,129	13.3	55.3	31.4	3.4	47.1*	3.8	1.0	
1948	9,812,651	7,449,509	34.7	53.7	11.6	3.3	45.6*	2.6	1.2	
1949	11,645,699	9,977,127	84.0	52.2	13.8	2.1	46.4	1.4	1.9	.4
1950	14,379,344	12,338,299	30.2	54.4	15.4	2.0	47.9	1.4	1.9	.2
1951	16,377,903	14,739,581	41.1	54.4	4.5	3.4	47.3	1.6	1.9	.2

* These ratios show results before consideration of Federal income tax.
* Includes other acquisition expenses.

Fidelity

Stock Companies

			Countrywide										
Accident & Casualty	\$59,450	\$32,026	—	—	—	—	—	—	—	—	—	—	—
Aetna Cas. & Sur.	3,928,851	2,743,364	44.0	74.2	-18.2	21.3	17.0	21.1	11.7	3.1	—	—	
American Auto Ins.	320,740	335,072	55.2	90.1	-45.3	28.5	18.0	20.1	19.9	5.6	—	—	
American Bonding	—	—	—	—	—	—	—	—	—	—	—	—	
American Casualty	160,852	172,330	34.1	91.9	-79.0	19.7	19.2	23.9	24.6	7.5	—	—	
American Employers	536,324	449,972	28.3	48.1	25.6	10.5	16.6	7.7	10.5	2.7	—	—	
American Guar. Liab.	405,723	319,288	26.5	42.1	21.4	8.1	13.5	7.9	9.8	2.8	—	—	
American Motorists	271,524	230,004	73.0	51.0	-24.0	11.6	14.7	10.0	12.9	1.8	—	—	
American Surety	4,410,748	3,481,938	30.6	49.8	19.6	8.6	15.3	6.6	16.6	2.7	—	—	
Associated Ind.	2,700	3,354	—	—	—	—	—	—	—	—	—	—	
Bankers Ind. Group	43,550	21,958	—	—	—	—	—	—	—	—	—	—	
Birmingham of Pa.	103	6	—	—	—	—	—	—	—	—	—	—	
Boston Ins.	16,885	5,929	—	—	—	—	—	—	—	—	—	—	
Camden Fire	23,020	5,234	—	—	—	—	—	—	—	—	—	—	
Car & General	2,905	4,011	—	—	—	—	—	—	—	—	—	—	
Central Surety	221,430	227,143	35.1	32.1	11.8	7.8	18.6	3.8	22.5	4.6	—	—	
Century Indemnity	756,800	47,672	4.4	67.2	-9.6	10.2	19.1	14.2	20.7	3.5	—	—	
Columbia Casualty	205,064	185,858	28.5	71.6	-1	16.6	22.9	7.8	20.6	3.5	—	—	
Commerce Ins.	84,248	40,968	—	—	—	—	—	—	—	—	—	—	
Commercial Ins.	291,038	211,316	29.9	49.0	21.1	5.2	21.0	8.5	10.9	3.4	—	—	
Connecticut Fire	1,851	1,188	—	—	—	—	—	—	—	—	—	—	
Connecticut Ind.	14,680	3,556	—	—	—	—	—	—	—	—	—	—	
Continental Cas.	967,068	785,382	24.2	51.5	24.3	13.4	13.5	8.5	12.7	3.4	—	—	
Employers Fire	44,228	13,489	—	—	—	—	—	—	—	—	—	—	
Employers Liab.	762,308	590,700	34.4	63.1	-2.5	14.4	11.3	14.9	18.6	3.9	—	—	
Equitable F. & M.	270	237	—	—	—	—	—	—	—	—	—	—	
Federal Ins.	760,113	478,857	51.0	44.9	4.1	1.9	43.0	—	—	—	—	—	
Fidelity & Casualty	3,007,850	2,152,813	35.4	62.8	1.8	12.5	12.6	11.0	23.3	3.4	—	—	
Fidelity & Deposit	6,880,688	5,232,782	33.5	60.0	6.5	8.3	16.6	17.5	14.1	3.5	—	—	
Fire Ass'n-Phila.	23,561	8,426	—	—	—	—	—	—	—	—	—	—	
Fireman's Fund Ind.	723,402	542,623	33.7	68.1	-1.8	11.3	16.8	17.7	18.4	3.9	—	—	
Fireman's Fund Ins.	100,013	60,419	47.4	37.6	15.0	5.1	26.1	3.7	2.3	.4	—	—	
Founders Ins.	34,875	25,597	35.1	65.1	-2	3.5	30.0	28.6	2.5	1.5	—	—	
General Acc. F. & L.	20,993	17,444	50.3	41.4	8.5	9.4	12.4	5.1	11.7	2.8	—	—	
General Casualty	392,273	337,631	25.6	44.4	30.0	3.6	13.4	8.7	15.3	3.4	—	—	
General Ins. Co.	678	188	—	—	—	—	—	—	—	—	—	—	
Glens Falls Co.	410,690	358,878	35.9	64.6	-20.5	22.1	18.9	12.8	26.7	4.1	—	—	
Great American Ind.	664,619	517,840	37.0	68.6	-6.8	9.1	18.6	15.1	24.0	3.0	—	—	
Guarantee of N. A.	216,293	174,159	49.2	55.9	-5.1	2.9	35.6	7.5	8.8	1.1	—	—	
Hanover Fire	22,020	8,319	—	—	—	—	—	—	—	—	—	—	
Hartford Acc.	5,062,550	3,862,811	36.0	53.9	10.1	9.7	18.0	8.0	15.1	3.1	—	—	
Hawkeye Security	9,889	7,050	—	—	—	—	—	—	—	—	—	—	
Home F. & M.	25,093	15,105	47.4	37.5	15.1	5.2	26.1	3.7	2.1	.4	—	—	
Home Indemnity	638,197	449,324	28.5	54.7	6.8	7.4	15.8	9.9	18.9	2.7	—	—	
Indemnity of N. A.	2,375,342	2,024,720	22.9	46.3	30.8	7.7	8.3	12.5	13.6	4.2	—	—	
Insurance of N. A.	4,900	2,799	—	—	—	—	—	—	—	—	—	—	
International Ind.	119,010	120,440	—	—	—	—	—	—	—	—	—	—	
London Guar. & Acc.	85,838	33,803	17.5	77.4	5.1	7.0	11.7	16.9	25.8	6.0	—	—	
London & Lanc. Ind.	46,552	46,901	28.0	68.0	-10.0	13.1	6.6	20.5	40.6	5.4	—	—	
Manufacturers Cas.	108,011	131,723	48.8	62.9	-11.7	15.6	13.9	13.0	15.1	5.3	—	—	
Maryland Casualty	3,583,125	3,045,971	34.1	53.3	10.6	11.7	21.7	11.2	7.8	2.9	—	—	
Mass. Bonding	1,942,447	962,002	28.2	59.9	11.9	5.4	21.3	11.8	18.4	3.0	—	—	
Metropolitan Cas.	168,184	156,411	22.3	56.5	21.2	8.9	19.6	10.2	13.4	4.4	—	—	
Michigan F. & M.	6,082	2,214	—	—	—	—	—	—	—	—	—	—	
National Casualty	409	11,910	—	—	—	—	—	—	—	—	—	—	
National-Hrfd. Group	133,595	81,707	—	—	—	—	—	—	—	—	—	—	
National Surety Corp.	5,217,266	4,133,381	37.6	65.3	-2.9	12.6	19.2	12.5	17.8	3.3	—	—	
Nat'l Union Fire	1,162	1,162	—	—	—	—	—	—	—	—	—	—	
New Amsterdam Cas.	1,173,119	1,068,969	33.2	62.5	4.3	7.9	25.9	14.7	11.6	2.4	—	—	
New England Ins.	-4,623	2,952	—	—	—	—	—	—	—	—	—	—	
Ocean Accident	233,791	307,385	33.7	60.1	-2.8	12.2	19.3	6.5	31.0	.1	—	—	
Old Colony Ins.	7,256	2,541	—	—	—	—	—	—	—	—	—	—	
Pacific Indemnity	277,771	223,154	35.8	51.3	12.9	14.2	18.7	—	35.6	2.8	—	—	
Peerless Cas.	394,589	175,700	94.2	58.2	-62.4	12.3	23.2	26.0	4.4	2.3	—	—	
Phoenix Indemnity	54,531	46,887	32.2	53.3	12.5	1.8	18.7	11.7	19.1	4.0	—	—	
Phoenix Ins. Co.	3,068	1,969	—	—	—	—	—	—	—	—	—	—	
Potomac Ins.	1,333	1,582	—	—	—	—	—	—	—	—	—	—	
Providence-Wash. Ind.	1,410	315	—	—	—	—	—	—	—	—	—	—	
Providence-Wash. Ins.	21,776	5,211	—	—	—	—	—	—	—	—	—	—	
Reliance Ins.	5,890	2,107	—	—	—	—	—	—	—	—	—	—	
Royal-Liverpool Group	2,127,042	1,964,980	49.6	65.2	-13.6	12.3	21.5	8.7	20.6	2.1	—	—	
St. Paul-Mercury Ind.	1,022,346	748,836	23.1	28.7	48.2	7.3	-12.6	15.3	14.5	0.2	—	—	
Seaboard Surety	761,495	704,322	31.7	45.9	22.4	6.5	25.7	8.0	6.0	2.7	—	—	
Security-New Haven	4,883	1,188	—	—	—	—	—	—	—	—	—	—	
Springfield F. & M.	67,744	24,339	—	—	—	—	—	—	—	—	—	—	
Standard Accident	1,182,242	938,056	26.6	65.9	7.5	10.6	14.5	18.1	21.4	3.3	—	—	
Sun Indemnity	2,012,288	1,285,540	24.5	45.3	30.2	12.5	14.6	3.8	8.9	0.5	—	—	
Travelers Ind.	1,812,242	1,285,540	23.2	60.0	8	10.4	17.2	23.8	11.7	2.9	—	—	
United Pacific Ins.	149,386	124,367	43.3	58.4	-1.7	5.0	22.2	13.8	12.5	3.9	—	—	
U. S. Casualty	311,934	230,648	38.3	94.0	-32.3	22.2	22.5	10.5	35.2	3.6	—	—	
U. S. F. & Guar.	5,961,572	4,663,062	36.0	61.5	-2.0	8.7	17.0	22.9	14.2	3.0	—	—	
U. S. Guarantee	2,232,502	1,637,938	56.5	64.5	-20.5	17.0	6.0	9.1	29.4	2.7	—	—	
Yorkshire Indemnity	10,592	1,476	—	—	—	—	—	—	—	—	—	—	
Yorkshire Insurance	5,495	1,987	—	—	—	—	—	—	—	—	—	—	
Total-Stock Cos.	\$63,388,961	\$49,019,884	35.8	60.1	4.1	10.9	16.8	13.6	15.7	3.1	—	—	

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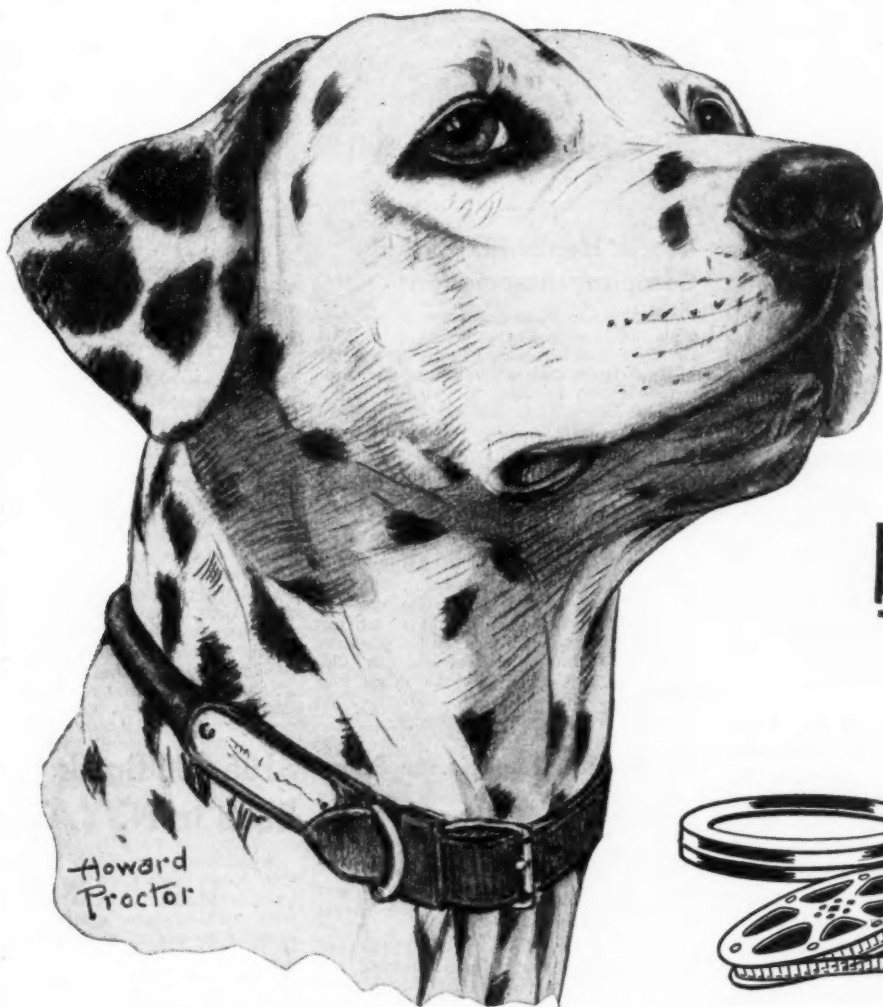
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"Sparky", the Dalmatian pup selected as the symbol of the Advertising Council's new fire prevention campaign, may be an animal, but he's not dumb. As a matter of fact, everyone — including insurance agents — can profit from his advice.

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"Fight fire
before it starts"



Make fire prevention a regular part of your work the *entire year*, not just during Fire Prevention Week. There are plenty of fire-prevention aids to assist you. Motion pictures, posters, prepared talks and booklets are available through our companies as well as from the National Board of Fire Underwriters, the National Fire Protection Association, and the National Association of Insurance Agents.

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Impact of Traffic Accident Costs May Reduce Losses, Harold Jackson Declares

PITTSBURGH — The key that may unlock the public's conscience and bring about an effective remedy of the "catastrophic tragedy" of automobile accidents, now costing at least \$3,562,500,000 a year, may prove to be the economic impact of such losses on the family's purse, currently estimated at \$47.92 for a family of four, the Mayor's Highway Safety Conference was told by Harold P. Jackson, president of Bankers Indemnity.

Declaring that "no one has the faintest idea what the real cost of highway

madness might be," Mr. Jackson estimated that on the basis of available reliable statistics the annual economic loss from highway accidents now represents "another unsuspected tax" of \$11.98 on every man, woman and child in the United States.

Mr. Jackson, who is chairman of the advisory committee of the accident prevention department of Assn. of Casualty & Surety Companies, and chairman of the committee on safety organization of the President's Highway Safety Conference, asserted that "the complete lack" of either safety or sanity on the highways "has become America's gravest threat to human security and existence itself."

Pointing out that no one — government statisticians, safety specialists or insurance company actuaries — has ever been able to come up with a figure that even approximates the actual cost of motor vehicle accidents, Mr. Jackson presented what he described as "the best facts that are available." He added that while he could not vouch for the accuracy of his figures, he assured his audience that they did not overstate the situation, but rather understated it.

He declared that "yet more grim is the apparent certainty" that the traffic accident toll this year will be even larger than the 1951 losses of 37,300 lives, and injuries to 1,300,000 others, and property destruction running into billions of dollars. He also described as "cold arithmetic" the losses of more than \$100 million by stock companies on their automobile liability business in 1951.

Dishonesty Excess Cover for Bankers Now Available

A new excess employee dishonesty insurance policy which covers banks against losses in excess of their blanket bond coverage up to \$1 million is being made available to members of a newly formed Bank-share Owners Advisory League through Scarborough & Co., Chicago agency which represents London Lloyds. An innovation of the policy is that it has a discovery clause which covers against losses occurring before issuance of the policy, but discovered after the policy is in force. Minimum policy amount is \$100,000.

Purpose of the advisory league is to give banks throughout the country a definite constructive program designed to reduce embezzlement losses, to protect share owners in the event such losses do occur and to recapture lost industry prestige and public confidence. The league will provide member banks with loss prevention bulletins, audit questionnaires and surveys and tested internal control methods which have proved successful in reducing employee dishonesty losses. President of the league is J. Ross Humphreys, president of Central National Bank of Chicago.

The excess protection is to fill the catastrophe loss need not contemplated by the routine blanket bond protection. The policy is written excess of a designated minimum of bankers blanket bond coverage depending on the deposit structure of the bank, but in no event less than \$100,000. Any bank carrying less than the minimum can obtain this policy and self-insure, if it so desires, the difference between the amount of its blanket bond and the minimum.

Rogier Heads Ill. Mutual Company Association

Clinton H. Rogier, secretary of Helvetia Township Mutual Fire, has been elected president of Illinois Assn. of Mutual Insurance Companies. He succeeds Myron L. Cass, Berlin Township Mutual Fire. H. L. Kennicott, Lumbermens Mutual Casualty, was named secretary and treasurer. In that position he replaces Donald A. Tripp, Illinois Mutual Fire, as secretary, and James T. Wise of Sadorus, treasurer, the latter having been in office 20 years.

Speakers included E. E. Hotchin, secretary Michigan Assn. of Mutual Insurance Companies; Harry P. Cooper, Jr., Indianapolis, secretary National association, and Mr. Tripp, the retiring Illinois secretary. There was a problem clinic at which 12 persons made up the panel to answer questions from the audience. The mutual movie, "No Longer Worried" was shown.

N. W. Hail Experience Poor

MINNEAPOLIS — Hail experience in this territory this season has not been up to average, company representatives report as the season has ended except for soybeans. Total volume in Minnesota, North and South Dakota was somewhat below last year while losses were higher.

The experience was especially rugged in Minnesota and North Dakota but more satisfactory in South Dakota. Several heavy storms in Minnesota and North Dakota caused the heavy losses in those states.

Allen Manager of Cox Agency

Albert L. Allen, Jr., has been appointed manager of the R. F. Cox agency at Mansfield, O., succeeding Don W. Strofer, who resigned to purchase the Thomas agency at Celina.

\$105,000 Bank Loss in N. Y. C.

A vice-president of Colonial Trust Co., New York City, has been arrested by federal authorities there and charged with making false entries in the bank records in order to perpetrate a fraud. The vice-president, M. T. Ryan, is said by the authorities to have caused the bank a loss of \$105,000 since June, 1951, by kiting securities. Colonial Trust carries a \$500,000 bankers blanket bond with National Surety, U.S.F.&G., and Fidelity & Casualty.

U. S. Attorney Myles Lane stated that Mr. Ryan had been in charge of the trust company's brokerage department for seven years. He had arranged loans to Kobbe & Co. It is said that he had purchased that firm through another person and after he did so the brokerage firm became a large borrower at the bank with stocks as collateral. The loans, under the law, are not permitted to exceed 10% of the collateral, but it is reported that this percentage was exceeded, that bank examiners found Kobbe & Co. owed the bank \$277,000 against which it had pledged as collateral stocks with a current valuation of \$172,000. It was indicated that Mr. Ryan had not profited by his manipulations but had borrowed the money to buy more stock and on it arranged further loans.

Lapeer Attorney Disbarred

LANSING, MICH. — Walter O. Estes, Lansing attorney who represented the group of former members of the defunct Lapeer Farmers Mutual who have resisted assessments over the past 17 years, was ordered disbarred for a year by a panel of three circuit judges. The action had been recommended by the State Bar of Michigan. His associate in the Lapeer Mutual case, John Safran of Onaway, who now is serving as a minister of the gospel, was ordered reprimanded.

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A complete and modern line with these attractive selling advantages:

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- * 10% increase in benefits for annual premiums, 5% for semi-annual.
- * No increase in renewal premiums at older ages.
- * No reduction in benefits at older ages.
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BUSINESS INDICATORS

NUMBER OF FIRES EVERY 24 HOURS

HOMES	STORES	FACTORIES	CHURCHES	SCHOOLS	HOSPITALS
700	39	80	9	8	3

RISE IN COST OF LIVING SINCE 1939

88%



FIRE LOSSES FOR 1951

\$731,405,000

RISE IN REPLACEMENT VALUES SINCE 1947

HOME CONSTRUCTION

HOME FURNISHINGS



45%



24%

PERCENTAGE OF HOMES

UNDER-INSURED

98%



HOIST SALES



SALES POINTERS

PERCENTAGE OF BUSINESSES

UNDER-INSURED

COST OF \$100 FIRE INS. COMPARED TO 10 YEARS AGO

LOWER

56.5%



MULTIPLE LINE FACILITIES

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Ponder Insurance Industry-Sponsored Traffic Safety Setup

Stock, Mutual and Independent Groups Are Seeking Common Ground

The idea of a national traffic safety promotion organization sponsored by the entire insurance industry is currently getting close attention. This was germinated at a meeting in June of the chief executives of about 25 of the largest auto insurers of the land that was held on a call from Dewey Dorsett, manager of Assn. of Casualty & Surety Companies, and A. V. Gruhn, general manager of American Mutual Alliance. At that time it was decided that there should be two representatives each from A.C.S.C., A.M.A., and National Assn. of Independent Insurers to proceed to outline the scope of such an organization, to exchange memoranda, and in short to get something down on paper to talk about. The discussions are going forward and the idea is getting much support.

There is a wide difference among the groups on the idea of what the budget should be. One group, it is said, proposes \$15 million. Another suggests \$300,000. The third is talking in terms of \$3 million.

The A.C.S.C. men are Herbert Stellwagen of North America and Ellis Carson of National Surety. The Mutual Alliance has S. Bruce Black of Liberty Mutual and John L. Train of Utica Mutual, while the N.A.I.I. representatives are Calvin Fentress, Jr., Allstate, and Adlai Rust, State Farm Mutual.

Aug. Traffic Toll Is Up 9%

Traffic accidents in August killed more persons than in any month since December, 1941, National Safety Council estimates. The August traffic death toll was 3,770, an increase of 9% over August a year ago.

The eight-month toll thus rose to 23,770—up 3% over the corresponding months of 1951.

Leighton Is Lowell Chief

Lowell (Mass.) Board of Underwriters has changed its name to Lowell Assn. of Insurance Agents and has elected Howard H. Leighton president.

Branford S. Brennon is vice-president, Charles D. A. Grasse, Jr., treasurer, and James Cantor, secretary. The association voted for a sliding scale of dues based on agency volume and approved a proposal that 5% of all premiums received on city business be turned into the association.

Controllers' Session Set

John C. Barrows, comptroller of American Surety, and H. Randall Pease, comptroller of Travelers, will be chairman and vice-chairman, respectively, of the fire and casualty session at the annual meeting of the Controllers Institute of America to be held at Detroit, Oct. 5-6. Control and reduction of expense will be the discussion topics.

McDonald Gets A.B.A. Post

W. Percy McDonald of McDonald, Kuhn & McDonald of Memphis, was elected secretary of the insurance law section of American Bar Assn. at the

San Francisco meeting. Mention of Mr. McDonald's election was omitted in previous stories covering this meeting.

Free Enterprise Reaching Limit It Can Support, Ray Murphy Warns

In an address on the problem of automobile accidents and their effect on insurance in the United States, Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, told the Canadian superintendents at Toronto that the trend to socialism in his country had reached the limit the free enterprise system is capable of supporting and absorbing.

Mentioning the heavy financial losses the casualty companies have suffered on automobile liability insurance, the failure of state regulatory authorities to grant adequate rates, public demands for compulsory automobile insurance laws, and political pressures to put government more deeply in the insurance business, Mr. Murphy declared:

"No matter what the Utopian promise of socialism, its promise cannot be matched by performance. As socialism has advanced in our country, it has

leaned heavily on the buttress of private enterprise. There has been a phenomenal increase in what some choose to call the national product. Under such conditions, it may seem that we can afford and support a little or even a lot of socialism, for it is the success of private enterprise which makes endurable the sloth of socialism and the burden of its bureaucracy.

"Somewhere there is a limit, and that limit, it seems to me, has been reached in our United States, astounding as the performance of private enterprise has been."

Mr. Murphy addressed the banquet of the annual conference of Assn. of Superintendents of Insurance of the Provinces of Canada, taking as his title, "A Look at Automobile Liability Insurance."

The gravity of the auto situation should not be underestimated, he warned. "No business can continue for long to experience the underwriting losses incurred by our automobile liability insurers in the past six years. If it means still higher rates, and there is every indication that it does, then increased rates should be approved by state insurance commissioners. Sometimes one hears the fear expressed that we will price ourselves out of the mar-

ket. I do not minimize the conditions which lead to that view, nor challenge the sincerity or competence of those who express it, yet I suggest they contemplate these statistics. Our consumer price index has risen 91.1% since 1939. In the same period automobile liability insurance has increased an average of only 35%. What is even more startling is the tremendous jump in some of the factors affecting automobile liability insurance. In the light of these data, can anyone believe that insurance costs are relatively too high?"

Insurance Men on A.M.A. Card

Several insurance men will play leading parts in the office management conference of American Management Assn. in New York, Oct. 16-17. K. B. Willett of the Hardware Mutuals of Wisconsin is vice-president in charge of the office management division and will preside at the sessions. Among the members of the planning council of this division is Curtis Mosher of Liberty Mutual.

Taking part in the panel on developments in office work measurement will be Charles H. Dent, methods research manager of the Hardware Mutuals, and John C. Morris, State Farm Life.

we invite you:

We are one of the oldest
Bonding Companies in the
United States.
In our fifty-two years of
experience in handling Bonds
we have acquired a vast amount
of information and "Know How."
This "Know How" is avail-
able to our agents and we
would like to make it
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Western Surety agent
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WESTERN SURETY COMPANY
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175 West Jackson Blvd.
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Announce Program for White Sulphur Casualty Convention

The program has been distributed for the 1952 joint convention of National Assn. of Casualty & Surety Executives and National Assn. of Casualty & Surety Agents at White Sulphur Springs, W. Va., Oct. 5-8.

On Oct. 5 the arrivals will register, and the directors of the agents' association will have a meeting in the morning. The entire membership is invited to this session.

The convention will get under way Oct. 6 with a joint meeting of the groups at which Harold P. Jackson, president of Bankers Indemnity and of the executive group, will preside and give his address. Lyle S. McKown, Minneapolis, president of the agents' organization, also will make his report. This will be followed by committee reports and other miscellaneous business, with the afternoon devoted to golf and other sports. That evening will take place the joint convention cocktail party and banquet.

The groups will have separate meetings the second day. The executives' association will hear a talk by J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, to be

followed by the election of new officers. At the agents' meeting there will be no formal address, but there is a long agenda of business to be dispensed with. In the afternoon will be the concluding round of the golf tournament. The agents the next morning will have a short business session with C. F. J. Harrington, executive vice-president, presiding.

New Book Issued on A. & H. Underwriting

A new book in the A. & H. insurance underwriting field, "The Underwriter's Medical Guide for Accident and Sickness Insurance," by Dr. Joseph Altman, is the newest publication of The National Underwriter Co. of Cincinnati. The book deals exclusively with A. & H. risks as met in the insurance of accident, sickness, combination disability and hospital expense policies. It represents the author's knowledge and experience gained over many years as a medical examiner and medical director for life and A. & H. companies. It is the medical approach to underwriting as distinguished from an actuarial or rating approach.

This is a complete treatment of the subject, containing seven parts and dealing not only with the underwriting action, but with applications, physical

examination, classification coding, the heart, tuberculosis, hazardous occupations, cancer as an occupational hazard, laboratory studies, and specimen forms. There is a comprehensive glossary.

The book contains almost 300 pages, is 7x9 3/4 inches in size and is bound in durable imitation buckram, protected with a heavy glassine jacket. It is printed on a high grade paper that takes writing ink, so users can make notes right on the text pages.

More Than 1,100 Conditions Listed

More than 1,100 conditions are listed in the underwriting portion, from abdominal tumor to zymonematos. These are coded according to the standard nomenclature of diseases and operations of American Medical Assn., by special permission from the association. In most cases the condition is described, its symptoms, effects and results are discussed and the underwriting action is suggested: Accept with rider, reject, refer to medical director, remove rider. If the action should be accepted with rider, the wording of the waiver is given.

The A. & H. insurance application is discussed from the viewpoint of the underwriter and medical examiner. A chapter on physical examination points out errors to watch for and contains a suggested outline for a physical examination report form.

Because of their importance there are separate chapters on the heart and tuberculosis. Laboratory studies are treated in another section which provides a convenient reference source as to findings in blood chemistry, blood counts, spinal fluid analysis, etc.

Occupational Hazards Section

The section on occupational hazards is divided into two chapters, one listing about 120 hazardous occupations in industries that can cause excessive loss ratios. Cancer as an occupational hazard is treated in another chapter in which tables are shown of recognized and suspected occupational carcinogenic agents and the organ systems affected.

A valuable section is the one on specimen forms which suggest the wording and arrangement of various forms.

Single copy price of the book is \$10, and orders may be placed with The National Underwriter Co., 420 East Fourth street, Cincinnati 2, O.

Agency Observes 60th Year

The A. B. Schuchardt & Son agency of Fond du Lac, Wis., recently celebrated its 60th anniversary. The agency bears the name of its founder, who started the business in 1892. In 1918 Ulysses S. Schuchardt became associated with his father and the name was changed to A. B. Schuchardt & Son.

A. B. Schuchardt died in 1937 and his son took over the agency. In 1946 Robert U. Schuchardt, U. S. Schuchardt's oldest son, became associated with his father, and in 1950 Jerome A. Schuchardt, the youngest son, also joined the firm.

Montclair Agencies Merge

The Frank R. Hughes agency of Montclair, N. J., has been consolidated with the Ernest M. Marshall agency of that city, and will have headquarters at the Marshall agency offices at 615 Valley road, Upper Montclair.

Mo. Claimants' Attorneys Meet

ST. LOUIS—Missouri Assn. of Claimants' Attorneys sponsored a public discussion of workmen's compensation and related subjects here Sept. 27. Melvin M. Bell of San Francisco, author of a manual on demonstrative evidence, spoke on "The Adequate Award" and Samuel B. Horowitz of Boston discussed the objectives of National Assn. of Claimants' Compensation Attorneys. Leo S. Karlin, Chicago, attorney, spoke on "Demonstrative Evidence—the Scientific Approach."

AUTO TROUBLES

Bureau Hearing on N. J. Increase

The hearing on the protested increase of auto liability rates in New Jersey, conducted for the National Bureau of Casualty Underwriters by James B. Donovan, general counsel, adjourned until Oct. 10.

At the first hearing, James B. Cahill, bureau secretary, said the increases in New Jersey are considerably below the national average. Commissioner Gaffney approved the rates.

Former Assemblyman F. James Tumulty, who recently announced his candidacy for nomination as Democratic candidate for governor of New Jersey, filed the appeal on behalf of George West, Jersey City attorney. If the bureau rejects the appeal, Mr. Tumulty can appeal to the insurance commissioner.

Says Rates Are Excessive

Mr. Tumulty charged the new rates were excessive and that the commissioner should be required by law to hold a public hearing before approving rate increases.

Mr. Cahill said insurance companies have suffered severe underwriting losses in New Jersey in recent years. He also stated that the original filing included a 5% provision for anticipated underwriting profit and contingencies.

This 5% factor, he explained, was advanced with reasons presented to the National Assn. of Insurance Commissioners at its June meeting in Chicago. Commissioner Gaffney disapproved because the association had not taken a definite stand on this point.

Later the bureau refiled with a provision for 2.5% and reserved the privilege of refiled with the 5% provision. These rates were the ones approved by the commissioner.

Mr. Cahill mentioned that the 5% provision has been "approved or made effective" in 33 states and territories and the bureau will continue to press for the 5% provision in the rates in New Jersey.

N. D. State Hail Rates Up

BISMARCK, N. D.—State hail insurance rates will be substantially higher this year than last, the state hail insurance department announces. The 1952 rates are expected to bring in approximately \$2,093,269 and an additional 4% tax on all \$12 per acre insurance will bring in another \$63,775. Commissioner Jensen said 1952 losses incurred on \$8 and \$12 per acre insurance totaled \$2,589,674 and that it will be necessary to draw on the hail fund's surplus to help pay the losses.

Employers Plans Ad Program

Employers Liability group is planning a series of advertisements in consumer publications that are designed to increase the standing and prestige of the company. The first will stress the importance of the public's taking advantage of its right to vote, and other advertisements will point out the manner in which a republic operates and the benefits and privileges of the system of free enterprise.

Kewaskum Building New H. O.

Kewaskum Mutual Fire of West Bend, Wis., has broken ground for a new home office building. This will be a brick building with a stone and glass entrance, the structure to be 63 feet deep and 73 feet wide. The first floor will have three private offices, a large general office, punch card room, ladies rest room and lavatory. In the basement will be a kitchen, lounge room, meeting room, storage rooms and heating room.

What Atlantic Offers Producers In 1952

- ✓ A strong mutual company offering many forms of participating contracts.
- ✓ A sound stock company with the same management experience, writing a general business on a non-participating basis.
- ✓ A 110 year tradition of claim settlements designed to produce satisfied clients for both company and producer.
- ✓ A consistent program of nation-wide advertising—featuring our belief that the public is best served through the competent, independent agent or broker.
- ✓ 22 branch or service offices from coast to coast, administered through three fully-staffed divisional headquarters.

HOME OFFICE DIVISION

Head Office • 49 Wall Street • New York
Boston • New Haven • Newark • Philadelphia • Baltimore
Syracuse • Pittsburgh • Richmond • Dallas • Houston

MIDWEST DIVISION

Head Office • 141 Jackson Boulevard • Chicago
Cincinnati • Cleveland • Detroit • Grand Rapids
Indianapolis • St. Louis

PACIFIC DIVISION

Head Office • 361 California Street • San Francisco
Seattle • Portland • Los Angeles • Oakland

Business Established 1842

THE ATLANTIC COMPANIES

ATLANTIC MUTUAL • CENTENNIAL

Home Office: 49 Wall Street, New York 5

Marine, Fire and Casualty Insurance

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Level or Graded A. & H. Commission Plans Debated

One of the major developments following the entrance of the life companies into the A. & H. field has been the adoption more and more of graded commissions. The life companies in nearly every case are paying a high first year commission with graded renewals, while the practice of the casualty companies has been to pay a level commission of from 25% to 35%. Arguments favoring each of these practices were advanced at the Bureau of A. & H. Underwriters' meeting at Asheville, N. C., by Paul H. Rogers, Aetna Life, favoring level commissions, and P. J. Burns, New York Life, advocating unlevel commissions.

LEVEL PAYMENT

Mr. Rogers confined his discussion to the commercial field and to non-can. He noted that with some types of business unlevel commissions operate successfully, with other types the level commissions are best. The commercial A. & H. business of casualty companies is almost all on the level commission basis, while the non-can companies is all unlevel. The problems in one field are best solved by level commissions and certain practices, whereas in other fields they are best solved by unlevel commissions and different practices.

Some casualty companies provide that the agents shall take the application, write the policy, collect the premium, handle and pay the claims, and in every way take the primary responsibility for the complete servicing of business. "I know of no company with such agency contracts that does not allow level commissions," Mr. Rogers said. As the other extreme, however, is a company that does only a non-can business and whose agents are expected to take the application, report the first premium and thereafter let the company take complete responsibility for premiums, claims, and other service matters. In this situation, the graduated scale of commissions is always found.

All Systems Tried

Between these extremes there is to be found almost every type of operation by the more than 400 companies in the A. & H. business. The company that writes only life and A. & H. usually thinks of commissions for A. & H. in the same terms as commissions for life insurance. The companies that issue policies only to persons who have made application and have been examined and issued life insurance naturally feel that a substantial first year commission and a small renewal for a limited period will adequately compensate the agent. But if this company is accepting brokerage business, it is difficult to operate on a graduated commission basis.

Under the level commission plan, the percentage of premium that goes to the agent is high. It is lower for those operating on a graduated scale. The average commercial policy now stays on the books about 10 years, and the usual level commercial contract gives substantially more to the agent than the ordinary graduated contract.

Mr. Rogers said that where the unlevel basis is used, the persistency of business is likely to be affected by the fact that the agent after the first year or two may switch the business to another company for a large first year or flat commission policy. One life company with a long experience in this field tried many ways to prevent the rewriting of business by the agent in other companies and then returning the business to the original company, expecting to get the first year commission again. None of the schemes worked too well. As time went on and the agents became acquainted with the renewal commissions received by agents of other companies, the plan became difficult to operate, and it had to be modified to include larger flat renewal commissions. The usual device that has been used to discourage transfer of business to other companies has been a provision which increases the benefits

(CONTINUED ON PAGE 38)

UNLEVEL PLAN

Savings in the expense column of the A. & H. business is one of the major aspects of A. & H. that is receiving attention today, Mr. Burns stated. The commission is the largest single factor in the expense, and "savings in this area must be effected if we hope to succeed in returning more of the premium dollar to the public."

Under the unlevel scale or commissions the remuneration received by the agent for the original sale is a more realistic payment for services rendered, Mr. Burns declared. Life companies traditionally follow the unlevel pattern in life sales, and with some modifica-

tion, this approach has also been identified with the group business. Many companies using level commissions on their general business use the graduated scale for group.

The sale of A. & H. coverage to more people and in more economic brackets can be effected if costs are reduced, and Mr. Burns said the primary purpose for using the unlevel commission schedule is to reduce expenses. Savings must be made in the cost of acquiring the business. Under the unlevel schedule, commission costs over a period of five years, conservatively, will range from 17% to 20% as compared to 30% to 35% under the level schedule. The advantages of the unlevel commission schedule affect the public, the agent and the company, he noted.

Can Expand Coverage

The public benefits because the savings can be reflected in expanded coverages, lower costs through reduced premiums or offsetting dividends, more liberal underwriting standards and non-technical claim handling.

The career agent can capitalize on the advantages of an unlevel schedule despite the smaller income he may receive on any single policy. If he has a broader policy to offer, or the same policy at a lower price, he will make more sales

(CONTINUED ON PAGE 38)

Joins Wilson & Co. Agency

Walter J. Dabrowski has become associated with the Wilson & Co. agency at Shaker Square, Cleveland, of which William E. Wilson is manager. Mr. Dabrowski has been superintendent of casualty for American Surety at Cleveland. He is a graduate of Cleveland College of Western Reserve University and an air corps veteran. He will be an account executive for commercial and personal risks.

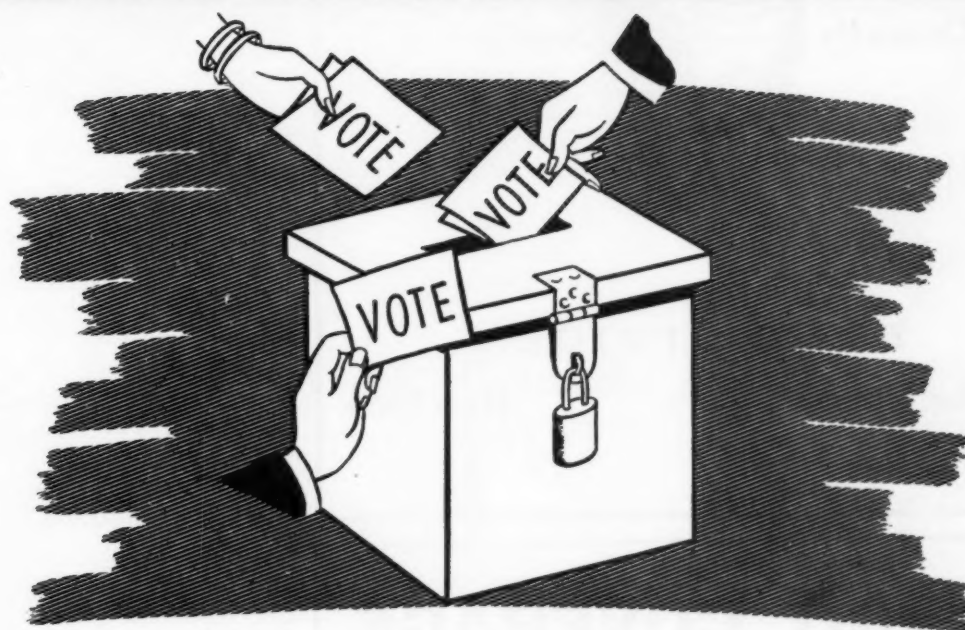
Buyers Hear Reynolds

At the Sept. 30 dinner meeting of Insurance Buyers Assn. of Minnesota, James F. Reynolds, general manager of Minnesota Compensation Rating Bureau, explained in detail how rates are determined.

Maryland County Wins Award

The National Fire Protection Assn. award for the "finest county fire prevention job in the United States" has been won by Montgomery county, Md., which is adjacent to District of Columbia. The award will be presented by Maryland's Gov. McKeldin at a meeting of the Montgomery County Council Oct. 7, when the certificate will be handed to County Fire Marshal Charles H. Howe, Jr.

The privilege of Freedom...



Your vote is the foundation of representative government. ... As an American citizen, the right to vote is one of your greatest privileges—and the exercise of that right is one of your most important duties. Vote as you please, but be sure to vote!



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

CHATTANOOGA

1887... 65th Year... 1952

Chicago, Ill.; Mapped

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mingham, president International as- sociation; R. L. McMillon, Business Men's Assurance, Abilene, Tex.; Wesley J. A. Jones, Mutual Life of New York, and E. H. O'Connor, managing director Insurance Economics Society, Chicago. They will also speak at the sales congress at Oklahoma City Dec. 5.

Financing Health Program President's Commission Topic

WASHINGTON — The President's commission on health needs of the nation has announced that at its panel meeting Oct. 7-8 on financing a health program, with Walter Reuther, United Auto Workers chief, as chairman, a section of the program will be devoted to discussion of "how adequate and effective are present methods of financing health services . . ."

Scheduled for evaluation of voluntary insurance plans are W. S. McNary, general manager Michigan Hospital Service, Detroit, and Dr. Charles G. Hayden, Massachusetts Medical Service, Boston. John H. Miller, vice-president and actuary of Monarch Life, will discuss commercial insurance, and Dr. George Baehr, president and medical director of Health Insurance Plan of Greater New York, will speak on independent plans.

On the question, "What is the need and potential of wider financing through insurance? What are the implications of using these methods?" I. S. Falk, social security administration, will discuss compulsory insurance, and George Cooley, American Medical Assn., voluntary means and methods.

Dr. Michael Davis of the Committee for the Nation's Health, which advocates national compulsory health insurance, will participate in discussion of alleged "inefficiencies in our present system of financing, and what are the immediate needs for expansion."

Labor and industry views of the problem of financing health services will be presented by Nelson Cruikshank of AFL, labor adviser to Mutual Security Agency, and Harold Vance of Studebaker Corp. Whether the U. S. expanding economy will be able to meet unmet needs and provide for adequate health services will be reviewed by Leon Keyserling, chairman council of economic advisers, and Dr. Emerson P. Schmidt, U. S. Chamber of Commerce.

The commission has had prepared by its staff "a 125-page basic fact book for use of the commissioners in their deliberations." A commission spokesman said this volume would not be available to the press or the public, although it was scheduled for use at the panel meeting.

Liberty L. & A. Officers

Officers of the reorganized Liberty Life & Accident of Muskegon, Mich., which has just taken over the recently formed Ann Arbor Life, are: W. Frank Murray, president; Winston H. MacCurdy, executive vice-president and secretary; Frank Murray, Jr., assistant secretary; James N. Gillespie, treasurer.

It was incorrectly indicated in a recent issue that Mr. MacCurdy was slated to become president of the consolidated company.

Plan Mich. DISC Session

A disability sales course, with an enrollment of 25 to 30, is planned at Michigan State College Oct. 8-11, sponsored jointly by International and Michigan Assns. of A. & H. Underwriters.

Levine New Jersey President

New officers elected by New Jersey Assn. A. & H. Underwriters at the September meeting are: President, Henry Levine, Washington National; executive vice-president, Elias Cohen, Federal Life; vice-president, Joseph Harmelin, Manhattan Life; secretary, Richard L. Plasschaert, S. S. Ballin agency; treasurer, Richard Caldwell, U. S. Life.

Carl Lane Speaks at Cincinnati Curtain Raiser

The September luncheon meeting of Cincinnati Assn. of A. & H. Underwriters was an event of triple significance—it was the first meeting of the new season, it marked the conclusion and success of the first disability insurance sales training course (DISC) in Cincinnati with the faculty and class in attendance, and it had as guests several out-of-city personalities in A. & H., some of whom were company men attending the underwriting forum of H. & A. Underwriters Conference. Included were C. O. Pauley, managing director of the conference, and Roy A. MacDonald, assistant director, who was on the training course faculty.

Eighteen men attended the three-day DISC course, held at Xavier University. George E. Pfau, Inter-Ocean, was director.

Carl Lane, field supervisor General American Life, St. Louis, another member of the DISC faculty, and the speaker of the meeting, entered upon his subject of "No Market, No Profit," by asking: "Would you hire a hunt-and-peck secretary?"

Too many men in the business today,

he said, are guilty of hunt-and-peck sales methods. He distinguished between "policy peddlers" and "needs men" by saying that the first do not establish confidence in the prospects' minds, thus building up a public relations bloc, but the second have a story based on needs are met by facts—organized, efficient.

"A ready flow of words is not the same as a ready flow of meaning," he said, pointing out that too many salesmen are working or waiting for the magic word, the short cut. "There are no short cuts."

See World Series on TV

Buffalo Assn. of A. & H. Underwriters is devoting its Oct. 3 meeting to a television look at the third game of the world's series. The only business on the agenda is a vote on the proposal to change the name to Western New York A. & H. Assn.

Bennett Atlanta Speaker

Earl R. Bennett, Provident Life & Accident, Tampa, a director of International Assn. of A. & H. Underwriters, was speaker at the September meeting of the Atlanta association.

Big California Marine Base Contracts Are Awarded

Three contracts have been awarded for erection of permanent structures at the El Toro, Cal., marine base, to replace temporary ones built during the war.

Ford J. Twaits Co., Los Angeles, at \$1,813,475, will build an aircraft maintenance hanger. One half is to be erected immediately and the other half later. Fidelity & Deposit is on the bond. William P. Neill Co., Los Angeles, has the contract for a public works office, shop buildings and metal trades building, at \$1,080,978. Hartford Accident is surety on the work. P. J. Walker Co., Los Angeles, at \$1,594,951 will build three 33-man reinforced concrete barrack buildings. American Surety will execute the bonds.

In addition, federal housing administration has awarded a contract to Myers Bros., Los Angeles, for the construction of a 579-unit housing project for marine personnel at the station, at \$4,500,000. The project will comprise two and three-bedroom houses, of which 193 are for officers and 378 for enlisted personnel. Great American Indemnity will execute the bonds.



You may be 'done in oil

"Alors!", said Pierre the painter. "S'il vous plait, zee glass een my coupe go poof!"

"Wee", you say into the phone, because it's the French type, "your policy covers a broken safety plate glass window. Go have it replacayvous."

While you're talking to him, do him the favor of telling him *where* to have it replaced, so he won't have to canvass the town. Give him the name of a good Auto Glass Shop. And tell him to *insist* on the same brand and quality of glass that's in the other windows.

That way, he'll get full value and you'll get what you pay for.

Moral: Never give a policyholder the brush off.

Libbey-Owens-Ford Glass Company, 63102 Nicholas Building, Toledo 3, Ohio.

NO FINER GLASS THAN LIBBEY-OWENS-FORD SAFETY [L O F] PLATE

CHANGES IN CASUALTY FIELD

Fireman's Fund Indemnity Advances Two at New York

Fireman's Fund Indemnity has appointed E. Kenwood Hawley manager and George V. MacGregor as assistant manager of the New York metropolitan department.

Mr. Hawley, a graduate of the University of Connecticut, was formerly with Aetna Casualty and more recently has been superintendent of Fireman's Fund.

Mr. MacGregor, who has been with the company since 1937, moves up from supervising underwriter of metropolitan operations. He has an extensive background of casualty experience in that area. Both changes are effective forthwith.

Mavis Moves to Milwaukee

Robert A. Mavis, who has been policy writing manager in Wisconsin for Hardware Mutuals of Stevens Point, has been transferred to Milwaukee as manager of personnel, office service and training operations in the branch office. He started at the home office in 1948.

H. W. Brigham Retires

Harold W. Brigham, branch office supervisor of Travelers, has retired. He joined the company in 1908 as cashier. He opened an office for Travelers at Grand Rapids in 1909. He was transferred to San Francisco in 1912 and remained there until 1927, when he was appointed branch office supervisor at the home office.

C. H. V. Phillips Retires

Charles H. V. Phillips, after 30 years with the Pacific department of the Commercial Union group at San Francisco,

retired Oct. 1 on reaching age 65. Mr. Phillips, who started with the Ocean Accident in 1922 as a payroll auditor, has been assistant general superintendent of claims since 1924, handling principally compensation claims. He went to San Francisco from British Columbia in 1922.

Youngs to Employers Re

Robt. R. Youngs has joined the home office of Employers Reinsurance in the excess department where he will service accounts and do safety engineering work.

Mr. Youngs formerly was in safety engineering work with American Mutual Liability at Chicago and Minneapolis. An air force veteran, he attended the University of Illinois and later completed engineering studies at Northwestern.



R. R. Youngs

Schmit to St. Paul-Mercury

John K. Schmit has gone with St. Paul-Mercury Indemnity as special representative of the bond and burglary departments for western Missouri with headquarters at Kansas City. He is a navy veteran and has had several years' experience in the Kansas City area as assistant manager of Travelers.

N. E. Shifts by Hartford S. B.

Hartford Steam Boiler has transferred Special Agent H. B. Bensen from

Springfield, Mass., to Boston. He was appointed special agent in 1947 after several years in the home office underwriting department.

W. T. Durell, special agent for Vermont and northwestern Massachusetts, succeeds Mr. Bensen in Springfield. He joined the company in 1950. Replacing Mr. Durell is David S. Chapin, who has been in the home office agency department since 1948. He is a graduate of Princeton and a navy veteran. He will make his headquarters at Brattleboro, Vt.

COMPENSATION

Changes in Cal. W.C. Law Are Suggested at Hearing

LOS ANGELES — Following a two-day hearing at San Francisco, Senator Ward of Santa Barbara, chairman of the California senate interim committee on workmen's compensation, presided over a two-day session here at which recommendations for changes in the law were made, the outstanding feature being the need of a new medical fee schedule.

Dr. Frank J. Cox, San Francisco, representing California Medical Assn., outlined its stand. He cited the jump in hospital charges, in consumer prices, in physicians' overhead expenses, and the fact that their income has not kept pace with these other increases. He said that about 5% of the physicians by their actions give the profession a black eye with the public, and that 95% of the doctors serve the public to the best of their ability.

Milton H. Silberg, representing Southern California Assn. of Applicants Attorneys, urged legislation that would permit the injured workman to select his own doctor.

Gordon Snow, representing insurers, said the coordinating committee of insurers and doctors had several meetings and he felt something had been accomplished. He declared that medical costs in California are the highest of any state in the union. He said the carriers had experienced 33 1/2% increase in costs on workmen's compensation business. He declared the companies want the injured man back on the job as quickly as possible in order to cut costs.

A. F. Levy, attorney for the CIO, presented a plea that the IAC should have the power to order rehabilitation at the expense of the insurance carrier.

E. W. Williams of Douglass Aircraft and R. W. Wilkins of North American Aircraft, spoke for the aircraft industry, pointing out that the hidden type of disability is a problem in rehabilitation and restoration and the problem is increasing. The employer cannot take a chance of putting the questionable man back to work. He said the experience in this respect is bad and that aggravation of a previous injury may prove more serious than the original one.

Fla. W. C. Rates Up 4%

Commissioner Larson of Florida has approved a 4% increase in workmen's compensation insurance rates, effective Oct. 1.

O'Connor Cincinnati Speaker

James C. O'Connor, executive editor "Fire, Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER, will discuss the current automobile insurance situation at the luncheon meeting of Assn. of Casualty & Surety Managers of Cincinnati Oct. 14.

Ralph T. Dorsey, traffic engineer, addressed Casualty Insurance Adjusters Assn. at Los Angeles on "Synchronized Signal Timing and Correlated Problems."

Joe C. Carr, Nashville local agent, is being mentioned as a possible member of the state cabinet of Governor Frank Clements, who is to take office Jan. 1.

Markel's New Montreal Unit Second Canadian Office

Markel Service, Inc., has opened an office at Montreal at 1269 Greene avenue, with Albert L. Smith as manager. This is Markel's second Canadian office. The first was set up at 880 Bay street, Toronto, early in 1951. Both are under the management of Markel Service of Canada, Ltd., which is a subsidiary of the U. S. organization, and which gives the same underwriting, safety engineering and claims service in the truck and bus field that is performed by the parent company.

Prior to joining Markel Service at Toronto last year, Mr. Smith was with the Ontario department of highways, where he inspected vehicles and conducted investigations necessary to grant licenses for public vehicles.

Aegis Casualty Opens Up

Aegis Casualty is now in active operation with offices in the E. & C. building at Denver. The paid-in capital is \$200,000. It is operated in conjunction with Pioneer Mutual Compensation and Simpson & Co., general agents. Albert Simpson is chairman and Joseph Simpson, Jr., is president.

Maryland Boosts Dividend

Maryland Casualty has declared a semi-annual dividend of 60 cents a share on the common stock, making the annual dividend \$1.20, an increase of 20 cents over the previous rate. The company also declared a regular semi-annual dividend of \$1.05 on the \$2.10 cumulative preferred stock and 52 1/2 cents a share on the \$1.05 convertible preferred. All dividends are payable Dec. 31 to stock of record Dec. 5.

Safety Rally at La Crosse

The Crusade for Safety in Wisconsin was highlighted by a highway safety meeting sponsored by La Crosse County Assn. of Insurance Agents in cooperation with Wisconsin Assn. of Insurance Agents. City and county officials in the area were guests of the local agents, as were the county highway police. Among the speakers were Norman Franz, assistant Milwaukee manager of Travelers, and R. C. Salisbury, safety director of the Wisconsin motor vehicle department. The crusade was recently launched by the Milwaukee Board as a statewide activity.

Mass. Program Completed

The program has been completed for the annual meeting of Massachusetts Assn. of Insurance Agents at Boston, Oct. 21-22.

On Oct. 20, the directors will have a dinner and business meeting, and the following day after registration the meeting will get under way with a luncheon at which Walter M. Sheldon, the new president of N.A.I.A., will make an address.

In the afternoon, talks will be given by W. N. Woodland, editor of the "Standard" of Boston, and A. C. Conley, counsel and manager of Insurance Federation of Massachusetts. The local board advisory council will have a meeting and in the evening will be the reception and banquet at which the speaker will be Dr. Thomas S. Roy.


On the second day there will be a discussion of "Agents Pro and Con," with President C. K. Steele presiding. Then will come a business meeting, committee reports and election, and the meeting will close with a luncheon at which a talk will be given by William W. Ellis, field supervisor of Aetna Casualty.

Persson to Los Angeles

In last week's issue it was stated that A. T. Persson, Jr., was being transferred by Wagner & Gliddon, Toplis & Harding to San Francisco. He is going to the Los Angeles office of the organization.

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PEERLESS CASUALTY COMPANY, KEENE, NEW HAMPSHIRE

A. & H. Bureau Has Annual Parley

(CONTINUED FROM PAGE 27)

present unfavorable attitude on the part of the public by spending too much time running down the coverage of another company.

Complete medical care cannot be provided on a voluntary basis until the insurers, physicians and hospitals together work out a plan of action to which each group will strictly adhere, Mr. Cheek opined. The job may require the regulation of rates which hospitals charge for their services, or at least the fixing of some of the rates to be charged for a given period of time so that insurance rates may be fixed in relation to such hospital charges. "If we are going to offer anything approximating complete protection we must know in advance what the costs are going to be," he said.

He suggested that rating of A. & H. be based on the experience, with the policyholders being told that if they abuse their rights or allow any physician or hospital to abuse their rights it will result in the insurance costing them much more. A number and variety of policy forms should be reduced to a minimum, each form being put out at a rate determined by experience. Admitting that such thoughts might be "harsh and unpleasant at this time," he said, "in my opinion it is what you are all coming around to sooner or later. Only to the extent that you busy yourselves in providing the solution soon will you prevent the solution being provided for you by representatives of the public who may be more inconsiderate of your feelings than I have been."

Kirkpatrick Is Heard

Speaking on "Federal Government in Health Insurance," A. L. Kirkpatrick, insurance manager of the U. S. Chamber of Commerce, told the bureau members that the A. & H. business is the only insurance field in which the private companies have kept ahead of the government, and it is now the objective of the government's drive. He recited in detail the various plans that have been or are being attempted which would legislate the government into the A. & H. field, mentioning the national health insurance scheme, permanent and total disability benefits for the aged, increased railroad disability and unemployment benefits, introduction of health insurance under social security, coverage for the military, defense and veterans, grants and subsidies for local health programs, activities of the veterans' administration, hospital construction, and, finally, the President's commission on the health needs of the nation. The International Labor Organization is becoming a factor also, Mr. Kirkpatrick said, with its program of disability insurance by international treaty.

Ralph J. Walker, vice-president of Pacific Mutual Life, spoke on "The Challenge" and Raymond F. Killion, assistant vice-president of Metropolitan Life, talked on "The Outlook for Individual Accident and Sickness Insurance." There was a panel on group insurance conducted by J. Henry Smith of Equitable Society, with J. C. Archibald, Bankers Life of Iowa; J. E. Hellgren, Lumbermen's Mutual Casualty; D. Cody, New York Life, and George E. Light, Travelers, as panel members answering questions from the floor.

The advantages of a level commission and an unlevel commission basis were discussed by Paul H. Rogers, Aetna Life, for level commission, and P. J. Burns, New York Life, for unlevel commissions, to open the second day's meeting. T. D. Schwarz, Standard Accident, talked on experience under the blanket medical expense benefit of commercial accident policies.

Mr. Schwarz said that loss costs for blanket medical covers through 1940 indicated that companies that were writing blanket A. & H. cover business at the then prevailing rates, could antici-

pate a nominal underwriting profit. During the war years and until 1948, all commercial accident experience was most favorable. The general exposure to accidents during the war was materially curtailed because of automobile driving restrictions. Even after the removal of the driving restrictions, loss costs did not immediately rise to the pre-war level, while the blanket medical portions of accident policies were probably more affected than the fixed pay items, particularly since the general rise in medical costs was evident right after the war. The presumption was at that time that the industry was still securing an adequate margin of profit from this type of business.

However, when the companies in 1948 started broadening the limits of blanket medical coverage 50% without an increase in the rate structure, the companies felt that they were reasonably safe. Medical costs went up faster than it was anticipated through 1948 and 1949, and shot up even faster when the Korean war began in 1950. Any profit margin that was available the beginning of 1948 has been largely if not completely dissipated, he said. In some companies it has undoubtedly been replaced by underwriting losses.

Inflation Effects

The effect of inflation on the "open" or "blanket" amount insurance is difficult or impossible to control, and almost equally difficult to measure, Mr. Schwarz declared. He estimated that pure loss costs for 1948 to 1951 have risen 20% because of normal rises in expenses and 6% due to the broadening of the blanket portion of the policy. These increases, he estimated, could produce an approximate addition in the loss ratio of from 10 to 12 points.

While actual loss costs have substantially increased, underwriting practices have been somewhat broadened, particularly in respect to the writing of contracts in amounts not commensurate with the income of the individual who would normally be responsible for the payment of incurred medical bills. These are primarily students and housewives who are the principal holders of the low benefit contracts. With high claim frequency and loss costs predicated on comparatively large incomes, these two types of insured are considered a prime contributing factor to the worsening experience.

Mr. Schwarz said that more careful

Specialists in Auto Insurance

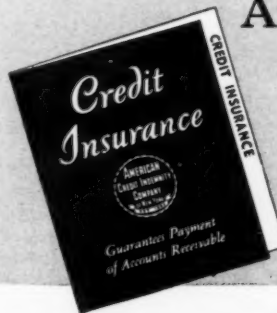


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underwriting could be helpful in exercising some control of the loss ratios, with a coverage patterned to the income of those responsible for the payment of medical bills.

Mr. Follman gave a detailed analysis of commercial accident insurance in 1952, and there was a panel discussion on major medical expense insurance led by David H. Harris, Equitable Society. Participating were Henry R. Roberts, Connecticut General Life; A. B. Hvale, Continental Casualty; J. Albert Burgoyne, Liberty Mutual, and E. Ryan, Royal-Liverpool group.

On the last day there was an open panel on risk selection conducted by Edward M. Ulrich, Pacific Mutual Life. Members of the panel were Dr. H. M. Stevenson, Aetna Life; Ray L. Hills, Great American Indemnity; F. L. Templeman, Maryland Casualty; L. B. Soper, New York Life; John F. Lydon, Ocean Accident, and E. A. Hauschild, Security Mutual Life.

E. A. Hauschild, the new bureau chairman, began in the insurance business in 1908 with Continental Casualty in the underwriting department. After some experience with the home office he went to New York in charge of underwriting. Subsequently he went with Pacific Mutual Life as an adjuster, returning to Continental as superintendent of underwriting at New York. In 1940, when Security Mutual Life entered the A. & H. field, Mr. Hauschild was named to head that department. He is the author of "A. & H. Underwriters' Guide," a textbook on A. & H. underwriting.

Buyers Hear Disability Men

Massachusetts Insurance Buyers Assn. at its September meeting in Boston heard Alphonse Wilson, manager A. & H. department of Liberty Mutual, discuss excess medical insurance and Roger W. Hardy, executive director of Blue Cross-Blue Shield, talk about those coverages.

Plugs Level Commission Plan

(CONTINUED FROM PAGE 33)

after the first year, or a provision for the payment of dividends to the policyholders.

Reciting an experience of one company which he said he believes is typical, Mr. Rogers said it began to issue commercial policies, paying the agent 35% of the first year and 7½% on renewals. The company could not maintain the arrangement because of lapses and rewriting of its business in other companies. It changed to 25% on the first year premiums and 15½% on renewals. This modified the problem, but did not solve it. Finally the company tried 20% first year and renewal with a 15½ bonus on first year premiums for each agent whose premiums for the year amounted to \$500 or more.

"I know of no plan for maintaining satisfactory persistency of regular commercial business written by ordinary life or casualty agents that has proven it will stand the test of time where commissions are unlevel," he said.

"In the commercial A. & H. field the most successful operations have been conducted by companies operating on the level commission basis where a substantial degree of participation in the servicing of the business is expected of the agent, Mr. Rogers asserted. For many years there have been criticisms of commissions on commercial A. & H. business, but he said he has been unable to understand a reason for the criticism. "Certainly, in the casualty field, no one can say that the commissions on accident business result in agents spending a disproportionate amount of their time on accident business and giving inadequate attention to other lines. I have never heard casualty people complain that agents under ordinary conditions produce too much accident business to the detriment of other lines."

Neither life nor casualty agents re-

gard earnings from accident business on the level commission basis as easy money, Mr. Rogers said, adding, "and it is not easy." It is difficult to get casualty agents or life agents to spend any substantial part of their time on accident business. Both life and casualty companies have had the problem of getting an adequate volume of business to give satisfactory growth to their A. & H. departments. "I do not think anyone would say that giving the agents less commission would stimulate production of business," he remarked.

While production is the principal problem, part of the volume building obstacle is the prevention of lapse and the collection of premiums that are not promptly paid. The interest of an active agent is the best guarantee that preventable lapses will be prevented. The company which is organized to maintain a high degree of direct control of its business with a good automatic system of following up delinquent payments and lapses and where guaranteed renewable business is written will find that the unlevel commission will work out well, but the principal weakness of the plan is that there is not sufficient reward to the agent for building up a large volume, taking care of it and keeping it on the books. This is particularly true, Mr. Rogers said, of the casualty agent or of the agent who is primarily a life man. "In other words, it is true of any agent except the high-pressure type who writes accident and health exclusively."

Temptation to Switch

The unlevel commission plan offers the agent the temptation after the first or second year to transfer the business to another company for another large first year commission.

Also, the company loses a quality of interest on the part of the agent in servicing business. This is essential to policyholders' satisfaction. The changes of address, marriages, changes of occupation, rewriting of insurance for larger or smaller amounts are all important parts of customer satisfaction, and "it seems to me that all these factors combine to strengthen the conclusion that the unlevel commission plan does not give the agent sufficient incentive to properly service the business, and the service to policyholders is not as satisfactory as where business is done on the level plan."

Mr. Rogers said that an important aspect of the question is not whether the commission is level or graduated, but how the company operates. What is the organization in the home office and in the field? From what agents does it get its business? What kind of policies will be issued? Does the company have a high degree of control of a loyal agency organization?

Graded Commission Called the Best

(CONTINUED FROM PAGE 33)

than his competitor, Mr. Burns remarked. When the sale is first made, he asserted, the agent is amply compensated for the time and effort expended. The agent's income from this sale does not stop at this point, for he continues to receive a renewal or service commission on a reduced basis. Public acceptance of a "better deal for the money" should materially improve persistency and enhance the value of renewal account. If the agent is properly trained and is aware of these possibilities, Mr. Burns said he can unquestionably raise the level of his over-all earnings.

A company with a branch office system, and with a conscientious agency organization can do an excellent job of providing for the needs of the public with the savings in marketing costs that will result from the use of the unlevel commission schedule. Basically, the

speaker added, an operation of this type contemplates that an agent will devote more of his time to selling and less to servicing. That does not mean that the agents should lose interest in the policyholder once the sale is made, but in recent years the average company has been assuming a larger share of responsibility in looking after the policyholders. When this is done, it follows that the agent will devote less time to servicing. The issuance of policies, direct billing and collection of renewal premiums, handling of changes and the servicing of claims "must be the functions of the company operation."

While this additional handling may tend to increase administrative costs, much of it can be done more economically by the company and it permits a tighter control of the business from one or more central sources.

Mr. Burns termed the administrative problems under the unlevel method of secondary importance "when you operate under the principal of giving the policyholder more value for his premium dollar."

The company operating under the level method would find it difficult to switch over to the unlevel, he added. "However, it will be in an unfavorable competitive position unless it finds a way. I know of one company which made this change and did it successfully. Its persistency rate improved considerably under the new program."

After the switch is made the administrative costs may be affected, with the degree depending on the amount of servicing assumed by the company. Safeguards are necessary to control the payment of the reduced renewal commission and the commission rates allowable on existing policies when they are reissued or changed so as to provide increased benefits.

Must Watch Persistency

Persistency will have to be watched carefully, for under the graduated scale it is contemplated that policies will remain in force for an assumed period. If the practice of switching business to other companies becomes widespread, commission costs will actually increase rather than reduce.

It is difficult to evaluate the service an agent renders his A. & H. clients, Mr. Burns observed. Many casualty and fire agents writing A. & H. admit that they spend more time servicing other types of policyholders. If this is so, he commented, the justification for paying level renewal commissions on A. & H. would seem questionable.

"Theoretically, the practice of paying a level commission also assumes that the business must be resold each time it is up for renewal. Actually, this is not true of A. & H. If it has been sold well, it will renew as well as life insurance with comparatively little service required of the agent."

To the argument that part of the servicing and justification for a level commission includes the issuance of policies by the agent, Mr. Burns said that with so many companies eliminating standard provision No. 16 from their policy forms (outlining the method by which a company may cancel) there has been less tendency to extend policywriting privileges to agents.

Renewal servicing is an important function, but Mr. Burns said the company can handle its renewal business on a direct basis providing it has a proper follow-up on premium collection and brings the agent into the picture before policy lapses due to non-payment. The

Canadians Elect Bethune

Insurance Institute of Canada has elected as its first president Norman G. Bethune, Canadian secretary of Home. Other officers named by the governing board are: Vice-presidents, James Richardson, London & Lancashire, and Harry W. Winter, General of Seattle; honorary secretary-treasurer, R. L. Jones, former research officer of Canadian Underwriters Assn.

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progressive agent welcomes the chance to visit his policyholders and handle miscellaneous changes or program revisions to reflect the class' current economic needs. Claim servicing by the agent should be thought of as a privilege rather than a chore, he said, because satisfied claimants represent an excellent source for new leads and expanded sales.

Transferring business from one company to another to secure the higher first year commissions affects persistency, and a good agent will not do this because he recognizes that people have become more conscious of the equity they establish by staying with one company. Mr. Burns noted that an agent could endanger his reputation if he switched his policyholders merely to further his own interests. An intelligent policyholder would not tolerate it.

Dividends Aid Persistency

"A number of participating companies, and this includes my own company, are now writing accident and sickness insurance," he said. "Dividend payments will lower premium costs, thereby encouraging policyholders to maintain their insurance in force. This should tend to conserve business and materially improve the rate of persistency."

Mr. Burns said that a life and A. & H. company official recently told him: "Persistency depends more upon the type of people you serve rather than the service you give."

The companies making the greatest strides in developing premium volume in the individual and family A. & H. field in 1951 for the most part followed the unlevel commission practice, Mr. Burns declared.

"Every major life insurance company going into the accident and sickness field within the past few years has adopted the unlevel commission pattern," he added. "In the years to come this development is going to have a marked effect on our business. Competition will make it necessary for companies to find ways to reduce costs and thus better serve the public."

World, United Men Confer

Almore H. Teschke, general counsel for United of Chicago, conferred with Commissioner Maloney of California and his legal staff last week over charges by the department that United used false statements in its advertising.

The company had previously filed a request for a hearing on the charges and then requested the opportunity to informally present its case before the department.

On Oct. 1, T. D. Eilers, president of the World of Omaha and his counsel met with the commissioner in an effort to adjudicate similar charges. The World was the first company accused in the current campaign of Mr. Maloney against improper advertising. It had until Sept. 13 to respond and request a hearing, but on application of its San Francisco attorneys has received a 30 day extension. In the meanwhile President Eilers and his San Francisco counsel hoped to present their side of the situation and bring about a satisfactory settlement with the California department which would release its state certificate of authority from jeopardy.

F. P. Luncheon at K. C., Kan.

Kansas City (Kan.) Assn. of Insurance Agents is inviting all civic leaders to a fire prevention luncheon Oct. 3, to be addressed by Emmet Cox of Western Actuarial Bureau. In the afternoon Mr. Cox will meet with the fire prevention committee there. It will climax a busy week in Kansas for Mr. Cox, who spends a day each at Dodge City, Pratt, Salina and Topeka addressing the schools.

Elect G. H. Turschmann

Tolland County (Conn.) Assn. of Insurance Agents at its annual meeting at Somers elected George H. Turschmann, Stafford Springs, president. The new

vice-president is A. Vail Smith, Somers, and William V. Sadlak, Rockville, is secretary.

C.P.C.U. Course at Cincinnati

The Ohio chapter of C.P.C.U. will sponsor a course at Cincinnati in preparation for parts 1 and 2 of the C.P.C.U. exams. To be held on Monday evenings, the course will extend for 28 weeks, commencing Oct. 6. Instructors will be furnished from members of the chapter at Cincinnati and guest instructors from among local insurance people.

Ill. 1752 Club Elects

Ward W. Barkdoll, Employers Mutual Casualty, was elected president of Illinois 1752 Club at a meeting at Bloomington.

N. C. Olmstead, Iowa Hardware Mutual, was named vice-president. Paul G. Kasheffska, West Bend Mutual Fire, is secretary-treasurer, and Gerald L. Adams, Grain Dealers Mutual Fire, assistant secretary-treasurer.

Drives Truck—Cost Is \$3,400

A U. S. appellate court has held that Glens Falls Indemnity was liable for damages resulting from an alleged assault by the resident of an insured corporation because the president was acting in the capacity of a truck driver when the assault occurred. The court ruled that the insurer was liable for a settlement of \$2,700 and \$750 attorney fees in a suit brought by the Atlantic Building Corp., a construction firm, and T. S. Matlack, its president.

Glens Falls refused to defend the assault-and-battery suit in a state court on the grounds that the suit was not covered by the policy and because Matlack was president of the corporation.

However, in affirming the district court the appellate court held that Matlack was not acting in an executive capacity but as a truck driver "caught up unexpectedly in an altercation with another driver which led him, on the spur of the moment, to commit the wrongful act." Glens Falls contended that the wrongful act was an act of the corporation itself as distinguished from an act of an agent of the corporation.

New Safety Code

Assn. of Casualty & Surety Companies and National Assn. of Mutual Casualty Companies are members of the sectional committee of American Standards Assn. which has developed a safety code for use of power forging machinery.

The code has just been approved by the standards association.

Cincinnati Fire Prevention Show

"Miss Flame" of 1902 met her 1952 counterpart at this week's meeting of Cincinnati Fire Underwriters Assn. Their appearance followed a parade commemorating National Fire Protection Week. Also present were B. W. Houston, chief of the Cincinnati fire department, and Chris Williams, superintendent of Cincinnati salvage corps.

Samuel H. Cochran of Caseville, in

the thumb region of Michigan, was presented a 50-year plaque for Continental by State Agent A. B. Paulsen. Mr. Paulsen presided at a dinner for Mr. Cochran. It was also attended by Mrs. Cochran and Mr. and Mrs. Robert McLean of the agency and W. A. Hake, America Fore special agent from Jackson.

File Anti-Commingle Bill

A proposed anti-commingling bill is being filed by Insurance Brokers Assn. of Massachusetts with the 1953 legislature.

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INSURANCE NEWS BY SECTIONS

COAST

Program for Colo. Agents' Annual Meeting Announced

The program has been announced for the annual meeting of Colorado Assn. of Insurance Agents at the Broadmoor hotel, Colorado Springs, Oct. 16-18. This will be the meeting at which the new secretary of the association, Don Nabity, will make his bow.

President Fred W. Noe, Greeley, will preside at the opening session Oct. 17 at which the first talk will be given by Commissioner Luke Kavanaugh of Colorado. Roy Duffus, Rochester, N. Y., local agent, will talk on "How to Be a Better Agent," and at the luncheon, Perrin C. Cothran, vice-president of Phoenix of Hartford, will talk on "Selling the Account."

In the afternoon, Mr. Duffus will continue with his talk on how to be a better agent and this will be followed by a business meeting and election.

That evening will be the banquet and entertainment.

The next morning there will be a breakfast for local board presidents at which Mr. Duffus will moderate a panel on "Ideas for Local Board Meetings." Talks at the regular session will be given by A. I. Pither, San Francisco manager of American Foreign Insurance Assn., on "How to Handle Foreign Insurance;" P. J. Walsh, on "Changes in the Public Liability Manual," and a C.P.C.U. panel on "Selling with a Survey."

Award Luncheon of F.U.A.P. Is Scheduled for Oct. 7

The annual award luncheon of Fire Underwriters Assn. of the Pacific is scheduled for Oct. 7 at San Francisco. Tribute will be paid to three graduates of the Insurance Institute program, five local students who will be presented Firemen's Fund awards for their top grades received in institute examinations, and two recipients of F.U.A.P. scholarships to study for the C.P.C.U. examinations: Peter N. Parson, National Union Fire, San Francisco, and John J. O'Toole, Royal-Liverpool, Los Angeles.

Carl Homer of Deans & Homer, president of F.U.A.P., will be the chairman. For a number of years Fireman's Fund has made its awards, which will be presented by President James F. Crafts.

In addition to officers of the association and members of the educational committee, executive representatives from each of the honored guests' companies will be in attendance. Prof. W. L. Crum, vice-chairman of the department of business administration of University of California, will comment on the future of insurance education at that school.

Slattery with Founders

John J. Slattery, well known in marine circles on the Pacific Coast and recently marine special agent for Royal-Liverpool, has been appointed manager of Founders at San Francisco.

Williams Named at Seattle

Roland Williams has been appointed assistant manager of the Pacific Northwest automobile-casualty department at Seattle by Fireman's Fund. He has been with the group since 1948 in underwriting, production and also has had agency experience.

He has been active in insurance educational work in the Pacific northwest and received the C.P.C.U. designation in

1951. He graduated from University of Washington and served in the air corps.

Dr. Kerr to Speak at Pacific Coast C.P.C.U. Conferment

Donald E. Walker, president of the Pacific chapter, announces that the speaker for its all-industry luncheon at Los Angeles Oct. 9 will be Dr. Clark Kerr, formerly a member of the wage stabilization board and now chancellor of University of California at Berkeley. His subject will be: "Permanent Inflation—Can It Be Avoided?"

Thirteen southern California men will receive the C.P.C.U. designation from Dr. Harry J. Loman, dean of American Institute for Property & Casualty Underwriters.

The addition to the chapter membership of Tim-Yuke Char, general agent for Home of Hawaii at Honolulu, and Chin-Kong Kwong, American Asiatic Underwriters, Hong Kong, makes the chapter truly Pacific in scope.

MIDDLE WESTERN STATES

Indiana Mutual Agents Elect Higgins President

Indiana Mutual Insurance Agents Assn. at its annual meeting at Indianapolis elected these officers: President, T. L. Higgins, Indianapolis; vice-president, Paul J. Kervan, Indianapolis; 2nd vice-president, J. Willard Funk, Connersville; recording secretary, George Murphy, Logansport; executive secretary, R. L. Cleveland, Indianapolis; treasurer, Lester Bickel, Portland.

Speakers included Paul Dubuc, Shelby Mutual Casualty; E. F. High, president National Assn. of Mutual Insurance Agents; Carl M. Russell, Farmers Mutual Liability; Maurice T. Harrell, chairman industrial board of Indiana; Sgt. Charles T. Halpin, Indiana state police; Tom A. Garvey, Lumbermens Mutual Casualty; George D. Haskell, American Mutual Alliance; William Searl, Auto-Owners. The dinner speaker was Dr. Frank Sparks, president of Wabash College.

Plan 40 Workshop Sessions in Michigan Cities

LANSING, MICH. — A two-day property and casualty course, with an enrollment of about 20 agents, was conducted at Michigan State College by Carl Preston, Detroit manager of New Amsterdam; Henry Peacock, U.S.F. & G.; Detroit; Norman Young, Springfield F. & M., Detroit; John Hyde, Hartford Fire, Jackson, and Samuel Gray, New York Underwriters, Grand Rapids.

Preparations are being made for a series of about 40 one-day workshop sessions in various parts of the state. The first, a special clinic for office personnel with 36 agency employees enrolled, will be at Grand Rapids Sept. 30. Instructors include Harold Richter and Harold Vermeris, Aetna Casualty; Harriett Concenia of the Fennell & Fennell general agency, Royal Oak, and Mr. Gray.

Other workshop dates already set include: Oct. 1 Owosso, Oct. 3 Pontiac, Oct. 7 Dearborn, and Oct. 16 Ypsilanti. Five similar meetings are scheduled for Upper Peninsula points during November.

The Detroit program is to include four two-day institutes and two six-day short courses, some in fundamentals and others in advanced insurance specialties.

Books to Cincinnati Library

The Cincinnati public library will receive funds from the Ohio C.P.C.U. chap-

Idaho Rating Bureau Elects

The annual meeting of Idaho Surveying & Rating Bureau was held at Pocatello with M. C. Godfrey, manager at San Francisco of Norwich Union, presiding. New officers elected are: President, H. H. Osborn, assistant manager North British; vice-president, Ellsworth E. Simpson, St. Paul Fire & Marine; directors: R. E. Alderman, Royal-Liverpool; H. E. Diem, Hartford.

Commissioner's Decision Stands

The superior court at Los Angeles has upheld the right of the insurance commissioner to reject the proposed decision of a hearing officer and render his own decision, in cases involving disciplinary action, after a review of the entire record and the transcript. The court decision was made in two cases involving appeals from suspension of licenses by former Commissioner Downey.

ter for an insurance reference section. C.P.C.U.s from southwestern Ohio are making the donation

Adjusters of Quad-Cities Form New Organization

An organization meeting of insurance adjusters of the Quad-Cities was held Monday at Rock Island, Ill. Quad-Cities Adjusters Assn. was formed and constitution and by-laws adopted.

Newly elected officers of the association are: George I. Fraser, president; William Davison, executive vice-president; Vincent Johnson, regional vice-president (Illinois); George Lovejoy, regional vice-president (Iowa); Jack Schofer, secretary-treasurer.

A brief talk was given by A. Christensen of Western Adjustment on auto appraisal work.

Elect at Milwaukee Oct. 15

MILWAUKEE — Milwaukee Board of Underwriters will hold its annual meeting Oct. 15. A successor will be elected to William B. Calhoun, who is retiring from local agency work in Milwaukee and will move to Florida. Speakers will be William C. Carney of Carney-Rutter agency, on "How You Can Save Your Auto Business," and John R. Fishdick, executive secretary of the board, on "Your Trade Association and What It Means to You."

Fugate Organizes Agency

Joe E. Fugate has organized a new local agency at 201 Fleming building, Des Moines. He started in 1930 with Trinity Universal at Kansas City as accountant and underwriter. He went with the E. A. Hook agency at Kansas City in 1933, and served as underwriter and manager before joining the Loyalty group in 1941 as special agent. He was transferred to Des Moines in 1942 in that capacity and later became state agent and branch manager for Iowa.

Mr. Fugate joined Pacific National Fire in 1950 and traveled Iowa, Minnesota and Nebraska as state agent before resigning to organize his agency.

A. H. Kenna Will Retire

Alpha H. Kenna, executive manager of Kansas Assn. of Insurance Agents for six years, has advised the executive committee of his desires to retire Oct. 3 or as soon thereafter as his place can be filled.

EAST

New Insurance Club Being Organized at Buffalo

Insurance Club of Buffalo is being organized and will begin formal meetings soon. It will represent the entire insurance field.

A slate of 12 directors will be elected at a dinner meeting Nov. 6. Nominees are Herman K. Heussler, Robert E. McPherson, Gilbert S. Hildebrandt, Oliver H. Turgeon, Clarence R. Wheeler, David G. Prescott, Robert E. Campbell, Miss Lorraine H. Bristow, Bernard L. Jones, Raymond G. Christ, Robert P. Lentz, Jr., and Chester I. Soule, Jr. Officers will be elected later by these directors.

One of the new club's primary functions will be sponsorship of Buffalo Insurance Day. It also intends to take over training classes now sponsored by various insurance organizations and set up a public relations program to keep the public aware of problems of a general nature in the business.

Mass. Brokers Nominate

The nominating committee of Insurance Brokers Assn. of Massachusetts has selected Fred H. Hitchcock for president, the vote to be at the meeting Oct. 28. The vice-presidential list consists of M. J. Ladd, Herbert L. Gore and L. B. Damon, Charles H. Weaver, Jr., is slated for treasurer.

SOUTH

Savage New Chairman of Texas Auto Service Office

DALLAS — When measured by premium volume or basic changes in rules, the 25th anniversary year of the Texas Automobile Insurance Service Office reached new peaks, according to the reports of its outgoing chairman, Thomas R. Chatfield, second vice-president of Fireman's, and its new manager, J. Don Squibb, at the annual meeting here.

Even busier times lie ahead, Mr. Squibb said, as there are four major projects on the agenda: Development of adequate statistics for rating purposes in view of inflation; some form of merit or demerit rating for private passenger cars; a simpler method of developing excess limits premiums, and clarification of certain manual rules.

Premiums written in 1951 for all auto lines were \$141,590,633, an increase of 21.51% over 1950; losses paid, \$62,121,692, increase 30.97%. This gives a written-paid loss ratio in 1951 of 43.5% as compared with 40.71 in 1950.

H. A. Savage, Aetna Casualty, was elected chairman to succeed Mr. Chatfield. Other companies on the governing committee are Home, Gulf, Firemen's, Great American Indemnity, St. Paul-Mercury Indemnity, Millers Mutual Fire, Fort Worth; Employers Mutual, Dallas, and Employers Mutual, Wausau, Wis.

Texas 1953 Convention Set

The 1953 convention of Texas Assn. of Insurance Agents will be held at the Rice Hotel, Houston, May 21-23, Dr. G. Foreman, executive secretary, announces.

New Abilene, Tex., Officers

Newly elected officers of Abilene (Tex.) Insurance Exchange are Robert B. Wylie, Emmette Chandler agency president; Thomas Brownlee, vice-president, and Robert R. Howerton, secretary.

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What does your client want to know?

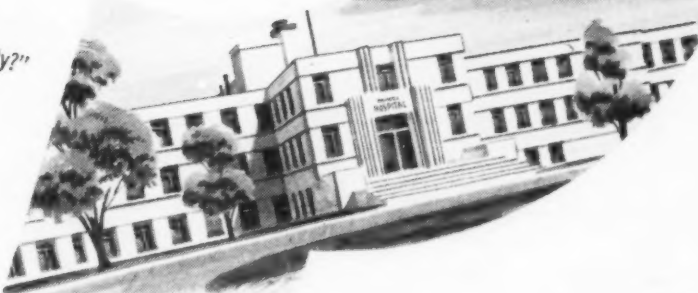
"What's the present value of my property?"

"Is my building fire-safe?"

"Should my property be sprinklered?"

"Are my policies concurrent?"

"Are my fire rates too high?"



"How can I budget the cost of my insurance?"

If you're not sure you have the right answers to questions like these, call on the nearest North America Service Office for dependable *technical* assistance.

A North America Technical Representative will help you prepare a comprehensive report on your client's insurance requirements. This is an important example of the way your North America Service Office operates to help you provide better service to your clients.

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The **Man of Many Interests**

A **VERSATILE MAN**, your Home Insurance agent. He knows insurance, sure—that's his life's work. But you may find that he's also a prime mover in many important community activities. It's his nature to work with and for people. As a good insurance man, naturally he has a keen sense of responsibility, gets satisfaction from doing things for people. In short—he's your good neighbor.



An **Independent Businessman**, your property insurance agent has invested his money as well as his efforts in your community. He knows the problems of both businessman and homeowner and you can depend on this—he's loyal to you and your town.



A **Real Safety Salesman**, your insurance agent is interested in preventing trouble for you and your neighbors. That's why so many Home agents are leaders in worthy community projects—that pay off in peace.

Like a **Doctor**, your insurance man has a 24 hour a day job.



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The advertisement above . . . one of a continuing series . . . tells the story of a man—a typical insurance agent. It will be seen by *more than 19 million* readers of national magazines.

The story it tells is important to the Home agent. It represents him in a new and significant light to the people he serves—establishes his important place in his community. It's designed to help you sell by selling *you* to your customers and prospects.

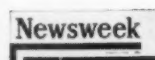
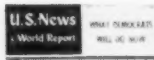
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NOV 28



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